

By Mr. SIMMONS: Resolution (H. Res. 289) to print the report of the Efficiency Bureau on the fiscal relations between the United States and the District of Columbia as a document; to the Committee on Printing.

By Mr. TAYLOR of Colorado: Resolution (H. Res. 290) to create a Committee on Panama Canal; to the Committee on Rules.

By Mr. WARREN: Resolution (H. Res. 291) to print as a House document the proceedings at Kitty Hawk, N. C., on December 17, 1928, commemorating the twenty-fifth anniversary of the first airplane flight made by Wilbur and Orville Wright; to the Committee on Printing.

By Mr. LAGUARDIA: Resolution (H. Res. 292) providing for the appointment of a select committee of nine Members for the Seventieth Congress for the purpose of investigating the administration of the bankruptcy laws of the United States, and for other purposes; to the Committee on Rules.

By Mr. REID of Illinois: Resolution (H. Res. 293) providing for the appointment of a select committee of 11 Members for the Seventieth Congress for the purpose of investigating the administration of the bankruptcy laws of the United States, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the General Assembly of the State of South Carolina relating to the situation in South Carolina created by the hurricane; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDRESEN: A bill (H. R. 16357) granting a pension to Edith Thompson; to the Committee on Invalid Pensions.

By Mr. BARBOUR: A bill (H. R. 16358) for the relief of Edward E. Harris; to the Committee on Claims.

By Mr. BEERS: A bill (H. R. 16359) granting a pension to Jonathan A. Seidel; to the Committee on Invalid Pensions.

By Mr. BROWNE: A bill (H. R. 16360) granting a pension to Edith Curran; to the Committee on Invalid Pensions.

By Mr. CLANCY: A bill (H. R. 16361) for the relief of Carl Raymond M. Larson; to the Committee on Naval Affairs.

By Mr. CULLEN: A bill (H. R. 16362) granting a pension to Margaret Olsen; to the Committee on Pensions.

By Mr. DOUGLAS of Arizona: A bill (H. R. 16363) for the relief of Raymond W. Still; to the Committee on Claims.

By Mr. EDWARDS: A bill (H. R. 16364) for the relief of Marmaduke H. Floyd; to the Committee on Military Affairs.

By Mr. ROY G. FITZGERALD: A bill (H. R. 16365) granting a pension to Carrie L. Warner; to the Committee on Invalid Pensions.

By Mr. W. T. FITZGERALD: A bill (H. R. 16366) granting a pension to Mabel Jackson; to the Committee on Invalid Pensions.

By Mr. GASQUE: A bill (H. R. 16367) granting a pension to William J. Bodiford; to the Committee on Pensions.

By Mr. HOCH: A bill (H. R. 16368) granting an increase of pension to Mary F. Plummer; to the Committee on Invalid Pensions.

By Mr. HOWARD of Nebraska: A bill (H. R. 16369) granting an increase of pension to Alice M. Henderson; to the Committee on Invalid Pensions.

By Mr. JENKINS: A bill (H. R. 16370) granting an increase of pension to Rebecca Morrow; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Washington: A bill (H. R. 16371) granting a pension to Susie H. Wright; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 16372) granting an increase of pension to Louisa Miller; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 16373) granting an increase of pension to Josephine E. Starkey; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 16374) granting an increase of pension to Catherine J. Cooper; to the Committee on Invalid Pensions.

By Mr. MOREHEAD: A bill (H. R. 16375) granting a pension to Lydia M. Walton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16376) granting a pension to Pearl Rounds; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 16377) granting a pension to Sarah M. Wheeler; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 16378) granting a pension to Elizabeth Carter; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 16379) granting an increase of pension to Anna M. Buell; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 16380) for the relief of Miles A. Henry, deceased; to the Committee on Naval Affairs.

By Mr. ZIHLMAN: A bill (H. R. 16381) granting an increase of pension to Rachel E. Laughlin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8283. By Mr. ANDREW: Petition of William S. Tolman Camp, No. 50, United Spanish War Veterans, and others, urging favorable action on House bill 14676, a bill to increase pensions of Spanish War veterans; to the Committee on Pensions.

8284. By Mr. CULLEN: Petition of the New York Commandery of the Naval Order of the United States, favoring construction of the 15 cruisers; to the Committee on Naval Affairs.

8285. By Mr. GARBER: Petition of the Indian Rights Association (Inc.), Philadelphia, Pa., urging support of House Joint Resolution 374, to authorize an investigation of Indian affairs by a joint commission to be appointed by the Senate and House of Representatives; to the Committee on Indian Affairs.

8286. By Mr. JOHNSON of Washington: Petition urging enactment of Representative Knutson's bill (H. R. 14676); to the Committee on Pensions.

8287. By Mr. McCORMACK: Petition of Dixie Post, No. 64, Veterans of Foreign Wars, M. P. Malloy, commander, National Sanatorium, Tenn., urging early and favorable consideration of the Rathbone bill (H. R. 9138); to the Committee on Pensions.

8288. By Mr. O'CONNELL: Petition of William Bianchi, New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8289. Also, petition of Martins, Brooklyn, N. Y., favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8290. Also, petition of Houpert Machine Co. (Inc.), Long Island City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8291. Also, petition of E. W. Fieldler Co., New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8292. Also, petition of the Dykes Lumber Co., New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8293. Also, petition of White-Stokes Co., New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8294. Also, petition of the Harriman National Bank, New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8295. Also, petition of the Miller Falls Co., New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8296. By Mr. ROBINSON of Iowa: Resolution signed by Fred Ewald, secretary of the Chicago Great Western Railroad Shops Crafts, of Clarion, Iowa; to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, January 18, 1929

(Legislative day of Thursday, January 17, 1929)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to

the bill (H. R. 15089) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1930, and for other purposes; that the House receded from its disagreement to the amendments of the Senate Nos. 1, 4, and 30 to the bill and concurred therein; that the House receded from its disagreement to the amendment of the Senate No. 41 and concurred therein with an amendment, in which it requested the concurrence of the Senate; that the House insisted on its disagreement to the amendments of the Senate Nos. 20, 39, and 40 and requested a further conference with the Senate on said amendments, and that Mr. CRAMTON, Mr. MURPHY, and Mr. TAYLOR of Colorado were appointed managers on the part of the House at the further conference.

VISITORS TO THE NAVAL ACADEMY

The VICE PRESIDENT. The Chair, pursuant to law, appoints as members on the part of the Senate of the Board of Visitors to the United States Naval Academy for the year 1929 the Senator from Rhode Island, Mr. METCALF; the Senator from Minnesota, Mr. SCHALL; the Senator from Florida, Mr. TRAMMELL; and the Senator from Washington, Mr. DILL.

ANNUAL REPORT OF THE PUBLIC PRINTER (S. DOC. NO. 168)

The VICE PRESIDENT laid before the Senate a communication from the Public Printer, transmitting, in compliance with law, his report of the operations of the Government Printing Office for the fiscal year ended June 30, 1928, and the calendar year 1928, which was referred to the Committee on Printing.

LEASING OF CUMBERLAND FALLS FOR POWER PURPOSES

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Federal Power Commission, transmitting protests against the leasing of Cumberland Falls for power purposes, requested by Senate Resolution 297, which will lie on the table and be printed in the RECORD.

The communication is as follows:

FEDERAL POWER COMMISSION,
Washington, January 17, 1929.

Cumberland Hydroelectric Power Co.

The PRESIDENT OF THE SENATE.

SIR: In accordance with Senate Resolution 297, directing the Federal Power Commission to transmit to the Senate all protests of individuals, organizations, and public officials which it may have received in opposition to the leasing of Cumberland Falls for power development or to the participation of the Hon. Roy O. West in the consideration of this and other leases, I have the honor to forward herewith the original records of the commission pertaining to the subject matter of the resolution.

It has been necessary to furnish the documents in their original form, and they constitute the only record that the commission has of the receipt of these communications. It is, therefore, necessary to request that they be returned when the purposes of the resolution have been served. These protests are bound in six parts, arranged chronologically.

Respectfully,

GLEN E. EDGERTON,
Chief Engineer, in the absence of the Executive Secretary.

SENATOR FROM MISSOURI

Mr. HAWES presented the credentials of ROSCOE C. PATTERSON, chosen a Senator from the State of Missouri for the term commencing March 4, 1929, which was read and ordered to be placed on file, as follows:

STATE OF MISSOURI,
DEPARTMENT OF STATE.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 6th day of November, 1928, ROSCOE C. PATTERSON was duly chosen by the qualified electors of the State of Missouri a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1929.

In testimony whereof I hereunto set my hand and cause to be affixed the great seal of the State of Missouri. Done at the city of Jefferson this 8th day of January, A. D. 1929.

By the governor:
[SEAL.]

SAM A. BAKER.

CHARLES U. BECKER,
Secretary of State.

CALL OF THE ROLL

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McMaster	Shortridge
Barkley	Frazier	McNary	Simmons
Bayard	George	Mayfield	Smith
Bingham	Gerry	Metcalf	Smoot
Black	Gillett	Moses	Steck
Blaine	Glass	Neely	Stelwer
Blease	Glenn	Norbeck	Stephens
Borah	Gould	Norris	Swanson
Bratton	Greene	Nye	Thomas, Idaho
Brookhart	Hale	Oddie	Thomas, Okla.
Broussard	Harris	Overman	Trammell
Bruce	Harrison	Phipps	Tydings
Burton	Hastings	Pine	Tyson
Capper	Hawes	Pittman	Vandenberg
Caraway	Hayden	Ransdell	Walsh, Mass.
Copeland	Hedin	Reed, Pa.	Walsh, Mont.
Couzens	Johnson	Robinson, Ark.	Warren
Curtis	Jones	Robinson, Ind.	Waterman
Dale	Kendrick	Sackett	Wheeler
Deneen	Keyes	Schall	
Edge	La Follette	Sheppard	
Fess	McKellar	Shipstead	

Mr. NORRIS. I desire to announce that my colleague [Mr. HOWELL] is detained by illness. I ask that this announcement may stand for the day.

Mr. ROBINSON of Arkansas. The junior Senator from Utah [Mr. KING] is to-day and has been for the past several days detained from the Senate by illness. I will let this announcement stand for the day.

Mr. ROBINSON of Indiana. My colleague the senior Senator from Indiana [Mr. WATSON] is detained from the Senate on account of illness. This announcement may stand for the day.

The VICE PRESIDENT. Eighty-five Senators having answered to their names, a quorum is present.

APPROPRIATIONS FOR THE INTERIOR DEPARTMENT

The VICE PRESIDENT laid before the Senate the following action of the House of Representatives, which was read:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
January 17, 1929.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 1, 4, and 30 to the bill (H. R. 15089) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1930, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 41, and concur therein with an amendment as follows:

Before the period at the end of the Senate amendment insert: "pending determination by the Personnel Classification Board, in accordance with said act."

That the House insist on its disagreement to the amendments of the Senate Nos. 20, 39, and 40.

Mr. SMOOT. Mr. President, there are three motions that I desire to make in relation to the action of the House. First, I move that the Senate agree to the amendment of the House to the amendment of the Senate No. 41. Amendment No. 41 reads as follows:

Provided further, That the practice of allowing quarters, heat, light, household equipment, subsistence, and laundry service to the superintendent and other employees who are required to live at St. Elizabeths Hospital may be continued without deduction from their salary, notwithstanding the act of March 5, 1928 (45 Stat. 193).

The amendment offered on the floor of the House and agreed to yesterday is an amendment to that amendment, reading as follows:

Pending determination by the Personnel Classification Board, in accordance with said act.

In other words, pending a determination by the Personnel Classification Board as to whether the provisions of the act of March 5, 1928, shall apply to the employees there as in all cases of Government employees.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Utah.

The motion was agreed to.

Mr. SMOOT. I move that the Senate further insist upon its amendments Nos. 20, 39, and 40.

The motion was agreed to.

Mr. SMOOT. I move that the Senate accede to the request of the House for a further conference on amendments Nos. 20, 39, and 40, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMOOT, Mr. KEYES, and Mr. HARRIS conferees on the part of the Senate at the further conference.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of South

Carolina, which was referred to the Committee on Agriculture and Forestry:

Senate Concurrent Resolution No. 8

Whereas a deplorable situation exists in 25 or more counties in South Carolina as the result of the West Indian hurricane which struck these counties in September, 1928; and

Whereas agriculture in these 25 counties is facing a crisis which can only be met by the extension immediately of large amounts of Federal and State aid to agriculture, especially in supplying seeds, fertilizers, and supplies for the making of the 1929 crop; and

Whereas after a careful investigation it has been determined that a large percentage of farmers in the storm-affected area will be unable, without Federal and State assistance, to carry on their farming operations during the year 1929; and

Whereas a bill is now in course of preparation, to be introduced at an early date in the South Carolina General Assembly, providing in some measure for State assistance; and

Whereas the large deficits in the management of the State's financial policies in past years make it impossible for the State to appropriate sufficient funds to restore agriculture in the storm-affected area; and

Whereas there is now pending before the Congress of the United States a bill extending Federal aid to agriculture in the storm-affected area of the Southeast, which bill is economically sound, and which will in a large measure tend, if it becomes law, to provide a remedy for the agricultural problem in the Southeast: Therefore be it

Resolved by the senate (the house of representatives concurring).

(1) That we recognize the seriousness of the crisis now confronting the agricultural population of the majority of the counties of the State of South Carolina.

(2) That we commend most heartily our Senators and Representatives in Congress for their interest in, and their work for, the passage of the bill to extend aid to agriculture in the storm-affected area of the Southeast.

(3) That the South Carolina General Assembly hereby memorialize the Congress of the United States to enact legislation at the earliest possible date for the greatly needed relief which can most effectively come only by act of Congress.

(4) That authenticated copies of this resolution be sent at once to both branches of the National Congress and to the Representatives and Senators from South Carolina in the Congress of the United States.

Mr. BINGHAM. Mr. President, I ask unanimous consent to present, in the nature of a petition, a resolution adopted at a gathering of New England farmers in Springfield, Mass., which I ask may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

TARIFF RESOLUTIONS UNANIMOUSLY ADOPTED

Whereas American agriculture does not suitably participate in the protective-tariff system given other industries through national legislation; and

Whereas our Nation can not reach maximum prosperity by denying so basic an industry as agriculture the opportunity to enjoy the American standard of living; and

Whereas the rates of duties on foreign-grown farm commodities seeking markets in competition with American farm products constitute so vital a factor in the so-called farm relief problem now before Congress and to the solution of which the incoming administration is irrevocably pledged: Therefore be it

Resolved, That this mass meeting of New England farmers and their organizations assembled at Springfield, Mass., January 14, 1929, hereby petitions favorable action by Congress on agricultural tariff schedules along the following fundamental principles:

(a) That in all tariff legislation agriculture be given protection equal to any other American industry—no more, no less.

(b) That rates of duty on foreign-grown farm products seeking our markets be made adequate to allow our farmers to enjoy profits which will permit the American standard of living.

(c) That various foreign farm commodities which are directly or indirectly competitive with our domestic farm crops be made to carry rates of duty based on the value of farm crops to American producers thereof and should be so adjusted that as the value increases the rate of duty will automatically increase.

(d) That in the agricultural tariff schedule flexibility be provided so that rates can be changed to meet changing economic conditions without unreasonable delay.

Mr. BLAINE presented resolutions adopted by Stevens Point Chapter of the Reserve Officers' Association of the United States, Department of Wisconsin, favoring increased appropriations, fiscal year 1930, for reserve officers' active training, which were referred to the Committee on Appropriations.

COLUMBIA LAND BANK

Mr. BLEASE. Mr. President, I ask that there be printed in the RECORD the article from the Greenville (S. C.) News of January 17, 1929, which I send to the desk.

The VICE PRESIDENT. Is there objection?

There being no objections, the article was ordered to be printed in the RECORD, as follows:

FARLEY RESIGNS FROM COLUMBIA LAND BANKS

COLUMBIA, January 16.—L. I. Gulon, vice president of the Federal Land Bank of Columbia and the Federal Intermediate Credit Bank of Columbia and acting as president of both institutions since January 1, to-day announced the resignation of W. Scott Farley, active vice president of these banks. Mr. Farley's resignation became effective Monday of this week, he said.

REPORTS OF COMMITTEES

Mr. BINGHAM, from the Committee on Territories and Insular Possessions, to which was referred the bill (H. R. 7010) to amend the organic act of Porto Rico, approved March 2, 1917, reported it without amendment and submitted a report (No. 1454) thereon.

Mr. BLEASE, from the Committee on Immigration, to which was referred the bill (S. 5093) to authorize the issuance of certificates of admission to aliens, and for other purposes, reported it without amendment and submitted a report (No. 1455) thereon.

He also, from the same committee, to which was referred the bill (S. 5094) making it a felony with penalty for certain aliens to enter the United States of America under certain conditions in violation of law, reported it with an amendment and submitted a report (No. 1456) thereon.

Mr. KEYES, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 13929) to provide for the enlarging of the Capitol Grounds, reported it with amendments and submitted a report (No. 1457) thereon.

Mr. ROBINSON of Indiana, from the Committee on Pensions, submitted a supplemental report (No. 1372, pt. 2) to accompany the bill (H. R. 14800) granting pensions and increase of pensions to certain soldiers, sailors, and marines of the Civil War and certain widows and dependent children of soldiers, sailors, and marines of said war, heretofore reported by him from that committee with amendments, and also reported additional amendments to the bill.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. COPELAND:

A bill (S. 5412) to extend sections 204 and 209 of the transportation act, 1920, to certain coastwise water carriers in the same manner and to the same extent as it applies to railroads and rail-owned water lines similarly situated; to the Committee on Interstate Commerce.

By Mr. McNARY:

A bill (S. 5413) granting the consent of Congress to compacts or agreements between the States of Oregon, Washington, Idaho, Montana, and Wyoming with respect to the division and apportionment of the waters of the Columbia River and all other streams in which such States are jointly interested; to the Committee on Irrigation and Reclamation.

By Mr. GILLET:

A bill (S. 5414) granting an increase of pension to Sarah J. Thayer; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 5415) granting an increase of pension to Josie Woolworth (with accompanying papers); to the Committee on Pensions.

By Mr. CURTIS:

A bill (S. 5416) granting a pension to Albertina Johnson (with accompanying papers);

A bill (S. 5417) granting a pension to Lizzie Kennedy (with accompanying papers);

A bill (S. 5418) granting a pension to John S. Alley (with accompanying papers);

A bill (S. 5419) granting a pension to Pauline A. Stephenson (with accompanying papers);

A bill (S. 5420) granting an increase of pension to Caroline A. Brandis (with accompanying papers);

A bill (S. 5421) granting a pension to Thomas L. Freeman (with accompanying papers);

A bill (S. 5422) granting an increase of pension to Eliza Dunn Minard (with accompanying papers);

A bill (S. 5423) granting an increase of pension to George D. Henning (with accompanying papers);

A bill (S. 5424) granting an increase of pension to Ida May Hollister (with accompanying papers);

A bill (S. 5425) granting an increase of pension to Sarah E. James (with accompanying papers);

A bill (S. 5426) granting an increase of pension to Ernest Laub (with accompanying papers);

A bill (S. 5427) granting an increase of pension to William A. Lipscomb (with accompanying papers);

A bill (S. 5428) granting a pension to Lou Lukens (with accompanying papers);

A bill (S. 5429) granting an increase of pension to William T. McCrindle (with accompanying papers);

A bill (S. 5430) granting a pension to Charles E. Mann (with accompanying papers); and

A bill (S. 5431) granting an increase of pension to Laura B. Mills (with accompanying papers); to the Committee on Pensions.

A bill (S. 5432) granting an increase of retired pay to Leland Wadsworth, major, United States Army, retired (with accompanying papers); and

A bill (S. 5433) to correct the military record of William H. Ray (with accompanying papers); to the Committee on Military Affairs.

A bill (S. 5434) granting compensation to Daniel B. Richardson (with accompanying papers);

A bill (S. 5435) granting compensation to John Frost (with accompanying papers);

A bill (S. 5436) granting compensation to Chester B. Wood (with accompanying papers); and

A bill (S. 5437) granting compensation to Myrtle A. Bell (with accompanying papers); to the Committee on Finance.

By Mr. ROBINSON of Indiana:

A bill (S. 5438) granting a pension to Rebecca Jenkins; to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 5439) granting compensation to Jeremiah D. Ballew (with accompanying papers); to the Committee on Finance.

A bill (S. 5440) for the relief of H. Theodore Tate; to the Committee on Appropriations.

By Mr. THOMAS of Oklahoma:

A bill (S. 5441) for the relief of the First National Bank of Porter, Okla.; to the Committee on Claims.

By Mr. ROBINSON of Arkansas:

A bill (S. 5442) to authorize reimbursement to certain levee districts for expenditures made for construction and repair of levees damaged by flood of 1927; to the Committee on Commerce.

By Mr. MOSES:

A bill (S. 5443) to enable the Postmaster General to make contracts for the transportation of mails by air from island possessions of the United States to foreign countries and to the United States and between such island possessions, and to authorize him to make contracts with private individuals and corporations for the conveyance of mails by air in foreign countries; to the Committee on Post Offices and Post Roads.

By Mr. BRATTON:

A joint resolution (S. J. Res. 201) restricting the Federal Power Commission from issuing or approving any permits or licenses affecting the Colorado River or any of its tributaries, except the Gila River; to the Committee on Irrigation and Reclamation.

AMENDMENTS TO WAR DEPARTMENT APPROPRIATION BILL

Mr. COPELAND submitted an amendment intended to be proposed by him to House bill 15712, the War Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 26, line 9, insert the following:

"For repair, restoration, and rehabilitation of the two block houses, the bake house, the magazine, and the French barracks, at Old Fort Niagara, N. Y., including construction of a rest room adjacent to the 'Castle' and the restoration and construction of the old French drawbridge, \$45,000. In addition to this amount, the Secretary of War is authorized to expend such sums as may be contributed from private sources for such work."

Mr. HAYDEN submitted an amendment proposing to increase the appropriation for pay of property and disbursing officers for the United States (Militia Bureau—National Guard) from \$79,500 to \$122,200, intended to be proposed by him to House bill 15712, the War Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

FIRST DEFICIENCY APPROPRIATIONS—NOTICE OF SUSPENSION OF RULE

Mr. McKELLAR. Mr. President, pursuant to the provisions of Rule XL of the Standing Rules of the Senate, I hereby give

notice in writing that I shall hereafter move to suspend paragraph 1 of Rule XVI, for the purpose of proposing to the bill, H. R. 15848, the first deficiency appropriation bill, the following amendment, namely: On page 16, after line 4, insert the following:

TREASURER OF UNITED STATES

For payment of salary of H. Theodore Tate for acting as Treasurer of the United States from June 1, 1928, to January 1, 1929, \$5,044.45.

PETER H. FRANKFORT—WITHDRAWAL OF PAPERS

On motion of Mr. NEELY, it was—

Ordered, That the papers filed with the bill (S. 4955) for the relief of Peter H. Frankfort be withdrawn from the files of the Senate Committee on Pensions, no adverse report having been made thereon.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on January 17, 1929, the President approved and signed the following acts:

S. 1275. An act to create an additional judge for the southern district of Florida; and

S. 1976. An act for the appointment of an additional circuit judge for the second judicial circuit.

FIRST DEFICIENCY APPROPRIATIONS

Mr. WARREN. Mr. President, I ask that we may proceed with the further consideration of House bill 15848, the first deficiency appropriation bill.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 15848) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1929, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal year ending June 30, 1929, and for other purposes.

Mr. NORRIS. Mr. President, the question before the Senate is the prohibition amendment. It involves the question as to whether we should increase the appropriation already made. As I understand it, under appropriations previously made and now existing, in the neighborhood of \$13,000,000 is available for the purpose of enforcing the eighteenth amendment. The amendment of the Senator from Georgia [Mr. HARRIS] would grant an additional \$24,000,000.

Mr. HARRIS. I desire to say that of the \$13,000,000 appropriated less than \$9,000,000 is for field work in actual enforcement. The remainder is for employees in the offices.

Mr. NORRIS. I understand that to be the case.

Mr. President, there are questions involved in the enforcement of prohibition that are not before us, as I understand the pending amendment, and I am not going to discuss those questions. For a few moments I desire the attention of the Senate in the discussion of the general question involved in prohibition. I doubt the wisdom of increasing this appropriation, although I for one would not hesitate to vote for it if I thought it were necessary and would be used by the enforcing officers in a fair and honest attempt to enforce the law.

I know that men and women do not agree, first, upon the fundamental question of whether or not we should have a prohibition law, but it seems to me that question has been settled. We have the law; we have the constitutional amendment; and as I look at the matter we ought, regardless of what we may think about the wisdom of it, to make an attempt to enforce the law in good faith. Personally I believe that such an attempt would eventually result in a fair enforcement of the law and would give satisfaction to the country at large.

As the law has been enforced during the past eight years, I confess it has been more or less a mockery. I believe a fair consideration of the subject will lead to the conclusion that the law has not been fairly enforced and that a fair attempt at enforcement has not as yet been made.

Before we talk about the modification or repeal of the prohibition law—speaking as one who believes in prohibition, and who, I think, consistently has voted for the enforcement of all laws along that line—I want to say that in my judgment all of us ought to unite in the proposition that there should be a fair attempt made at the enforcement of the prohibition law. If after that shall have taken place and a sufficient length of time has elapsed we are able to determine whether or not the law should be amended or changed, then we ought not to hesitate to make whatever amendment or change experience may show shall be necessary.

I think that prohibition enforcement has fallen down more on account of partisanship than for any other one reason. The prohibition law is a difficult law to enforce, I think we must all admit. There is so much money to be made in the violation of the law that the inducement to people who want to make money out of it, and who go into the business exclusively for the purpose of making money, to attempt to control

the enforcement officers, to attempt to secure the appointment of officers favorable to winking at the violation of the law so that special favors and permits may be given to a favored class is greater than in the case of any other kind of law. Partisanship, indeed, as I look at it, at least, is detrimental to the enforcement of any law, but its ill effect operates with a thousandfold greater force in the case of the enforcement of the prohibition law.

The Secretary of the Treasury has written a letter in which he states that he does not want this additional appropriation. He may be right about that. He has also stated in his letter that he wants to have made a country-wide survey of the subject. To my mind, the head of the enforcement department, after having held that office for eight years, ought now to know what a survey would bring forth; in other words, it seems to me that if after trying to enforce the prohibition law for eight years he has only reached the point where he wants to have a survey made we could fairly say that he has been a failure in the administration of that law.

Of course, Secretary Mellon was not a prohibitionist. I am not finding fault with him for that, but it is said that a law ought to be enforced by its friends. As a general proposition, I think that is correct, and yet we ought not to condemn a man in a position of authority in the enforcement of the law because he was originally opposed to the law itself, although, generally speaking, it would probably be unwise in selecting enforcement officers to select men who did not believe in the law. Whatever objection that may be, and whatever force it may have, depends, I think, a great deal upon what is done by such an official after he shall have had actual experience in the enforcement of the law. I confess that the results of eight years of enforcement under the present head of the Treasury Department have rather indicated to me that he ought not to be at the head of the enforcement bureau.

Mr. President, I admit it would be difficult to keep politics out of the enforcement of prohibition. A great many enforcement officers must be appointed, and nobody will claim that the appointing power could always make those selections without occasionally being mistaken. However, I want to read to the Senate some extracts from several articles that have appeared in Collier's Weekly, written by Mr. Chester P. Mills, who was one of the enforcing officers. He tells in those articles plainly, giving dates and names, exactly what happened to him in his attempts to enforce the prohibition law. He shows, by giving dates and places and names, how an honest enforcement of the law was interfered with, always on account of partisan politics, almost invariably because the politicians insisted that they should name the enforcing officers. On yesterday I called attention to a letter which was written a couple of years ago by a Member of this body, in which he plainly stated that he wanted to name the enforcement officers of his State because he needed their help in the campaign for reelection, in which he was then engaged. I am not charging any dishonesty to that Senator; I am not even charging bad faith. I concede that prominent politicians or candidates for important offices might be just as honest and as faithful in the selection of these men as would anybody else, but everyone knows if appointments are made on account of partisan political service politics will be the main criterion, and the appointee, however honest and conscientious he may be, will be deceived oftener than otherwise. Men who have been active in the support of their party or in support of an individual candidate for office naturally would be favored; that is human nature; that would be the prime reason for making the appointment; and the men who want to make millions out of the violation of the law would make contributions and act in support of the party or the candidate when their real purpose would be to secure appointments of this kind and to coin money by "playing favorites" in the enforcement of the law.

At the beginning of the first article which appeared in Collier's on September 17, 1927, Mr. Chester P. Mills said:

Within a year after Gen. Lincoln C. Andrews engaged me as Federal prohibition administrator on the solemn agreement that there would be no political interference, he warned me by telephone from Washington that I was hopelessly in bad with the politicians and that something must be done about it.

The only explicit instructions I received from my superior officer on being sworn in were to enforce the law to the limit of my ability and the resources of the department and to cooperate to the utmost in securing evidence on which the two Federal district attorneys in my territory could prosecute successfully.

Further on he says:

Gradually, orders to exclude politics were modified. I was told to advise with the local party leaders regarding appointments to the force of 240 men working under me.

I am not reading all of the article and I am not going to read all of any of the articles—there are three of them along the same line—but I am going to read a sufficient number of extracts to show that during the entire attempt by this official to enforce the law he was interfered with everywhere by men high in official life, members of his party, demanding that they be allowed to name the appointees under him.

Further he says:

In scores of cases involving useless and venal agents, suspected alcohol permittees, and outlaw breweries I felt the working of the political machine, whose wheels do not grind slowly although they grind exceedingly fine. Through weeks and months contests with the politicians multiplied. Bickering increased until finally action taken against the worst agents I have ever encountered provoked the politicians into open enmity. They charged in the press that my methods were high handed, bombarded Andrews with demands for my removal, and when I challenged them for a bill of particulars their reply was that out of 240 men in my district—nearly one-tenth of the entire Federal dry forces—103 were Democrats. The full roster was submitted to the bosses for inspection.

Just think of that! When he wanted to appoint men or when he wanted to keep men in his service the pressure of partisan politics was so great that he was required to submit to the bosses a list of the men.

The full roster was submitted to the bosses for inspection. There were only 12 Democrats on the force, and that dozen among the nucleus of reliable workers. This reply availed little. General Andrews ordered me to consult Charles D. Hilles, former secretary to President Taft and national committeeman of the Republican Party from New York State.

Mr. Hilles and I had a conference lasting two and a half hours. He seemed a suave and reasonable person. He analyzed the number of agents I had to appoint and apportioned them by counties in a penciled memorandum that I retain. I told him that while I was willing to receive recommendations, I must be the sole judge of the efficiency of my staff. He pointed out that the patronage system prevailed in every prohibition district throughout the country and that my territory would not be an exception. But he was affable enough to agree that as mine was the responsibility mine should be the final choice.

Later I learned that it was through Mr. Hilles the clashes with local politicians were given national magnitude, so that the dismissal of knaves in the service caused rumblings that reached even to the ears of the President of the United States.

The four worst cases that came to my knowledge caused the greatest political turmoil.

Then he goes on to tell about those cases, giving their names, where they came from, and who they were.

Further on in this same article he says:

He urged me—

He is referring to Mr. Andrews himself. He came on from Washington to New York to have a conference with Mr. Mills about the difficulties he was in on account of these appointments—

He urged me to make peace with the politicians by reinstating both the crooks and the bunglers. Pressure, he said, was being brought in the highest quarters. Hilles had complained to the President about me, and the prohibition national investigation service, under Major Hamblin, had been put to work to find out if my charges against the men were true.

It amazed me to learn that Washington had a special espionage to investigate regional administrators and their aides, but I learned later that the entire service was honeycombed with spies and counterspies and that administrators who used their discretion, as defined by the United States Supreme Court, in employing or granting alcohol permits to "those persons considered trustworthy by the Government" and weeding out all others had their acts subjected to secret investigation—

And so he goes on. I am not going to read any more of the article; but I should like to call attention, if Senators or others want to read them, to the fact that the charges made by Mr. Mills, an official of the Government, are contained in several numbers of Collier's Weekly. The first article appeared in Collier's Weekly for September 17, 1927. The next one was in Collier's Weekly for October 1, 1927. The last one, which he heads "Bribery," was printed in Collier's Weekly for November 5, 1927. That article is an interesting tale of how attempts were made by rich men—men supposed to be respectable—to bribe Mr. Mills to appoint this man or that man or to wink at this or wink at that; and he says, probably very truly, that if he had been so disposed he himself could have made millions out of the business. It would be interesting, if I had time, to read all of the article, because every sentence bears on the question that we are now discussing.

As bearing on the same question, I want to read the testimony, taken before a committee of the Senate known as the

Couzens committee, of Mrs. Willebrandt, an Assistant Attorney General of the United States. It seems that the prohibition officers up in Pennsylvania had succeeded in getting what they believed to be rather a cinch on some violators of the law very high up, with millions of money involved, doing a wholesale business. When it came to the trial, at the request, Mrs. Willebrandt says, of Mr. Mellon himself, an attorney from the Treasury Department was detailed to try the cases. But let us read her testimony.

The first question was asked by Mr. Manson, an attorney, as I understand, employed by this committee in making that investigation. I am not going to read all of her testimony. It is quite lengthy, and a good deal of it refers to other things not directly involved in the particular question now before the Senate.

Mr. MANSON. Do the law officers of the Prohibition Unit or of the Treasury Department ever take over the handling of prohibition cases in court?

Mrs. WILLEBRANDT. They assist United States attorneys sometimes.

Mr. MANSON. Do they ever actually conduct the trial of the cases?

Mrs. WILLEBRANDT. Not to my personal knowledge.

Mr. MANSON. Do you have any knowledge of some prohibition cases tried in western Pennsylvania by a man by the name of Littleton?

Mrs. WILLEBRANDT. Yes; but before he tried them he was made special assistant to the Attorney General.

Mr. MANSON. At whose suggestion was he made special assistant to the Attorney General?

Mrs. WILLEBRANDT. At the request of Secretary Mellon.

Mr. MANSON. What was involved in those cases?

Mrs. WILLEBRANDT. Bribery, violation of the national prohibition law.

Mr. MANSON. Those cases involved bribery of Prohibition Unit employees, did they not?

Mrs. WILLEBRANDT. So far as I know, that was the report of them.

Mr. MANSON. Was the appointment of this man Littleton as the prosecuting officer made with your approval?

Here is the Assistant Attorney General having charge of the enforcement of prohibition. This question goes right to the point. I will repeat it:

Was the appointment of this man Littleton as the prosecuting officer made with your approval?

Mrs. WILLEBRANDT. It was not.

Mr. MANSON. What was the outcome of those cases?

Mrs. WILLEBRANDT. One case was tried. The Friedman case was tried and lost, and the rest of them, at Mr. Littleton's request, were nol-prossed. The request was made to nol-pros the cases, and when the motion to nol-pros was presented to the judge he refused to grant it.

Mr. MANSON. Upon what ground did he refuse to nol-pros the cases? Is it not a fact the judge refused to nol-pros those cases upon the ground that the case that was tried had not been properly presented?

Mrs. WILLEBRANDT. It was so reported to me; yes, sir.

Mr. MANSON. Did you not then try one of those cases?

Mrs. WILLEBRANDT. I?

Mr. MANSON. Yes.

Mrs. WILLEBRANDT. Not any that Mr. Littleton had anything to do with.

Mr. MANSON. Was a conviction had in some of those cases involving that same matter?

Mrs. WILLEBRANDT. Not any that Mr. Littleton had anything to do with.

Mr. MANSON. I am not referring specifically to the cases Mr. Littleton had to do with, but I am referring to the group of cases arising in western Pennsylvania involving bribery.

Senator ERNST. If you have the title of the cases why not suggest them to Mrs. Willebrandt?

Mr. MANSON. I do not think I have them.

Mrs. WILLEBRANDT. Answering your question, no, I do not think so.

I had better read the question again because of this interruption, so that everybody can understand it. I will read the question and answer without the interrupting question:

I am not referring specifically to the cases Mr. Littleton had to do with, but I am referring to the group of cases arising in western Pennsylvania involving bribery.

The question before that was this:

Was a conviction had in some of those cases involving that same matter?

Answering your question, no, I do not think so.

Senator KING. Were there several groups of cases tried there in western Pennsylvania for bribery and violations of the national prohibition law about the time that Mr. Littleton was aiding in the prosecution of some of them?

Mrs. WILLEBRANDT. No. The only bribery cases were those that Mr. Littleton took over.

Mr. HENDERSON. There were one or two bribery cases of minor importance.

Mr. MANSON. Who tried the Guckenheimer case?

Mrs. WILLEBRANDT. Mr. Henderson and Mr. Simonton and Mr. Moore, assistant United States attorney at Pittsburgh, and I.

Mr. MANSON. There was a conviction in that case, was there not?

Mrs. WILLEBRANDT. Yes, sir.

Mr. MANSON. Wasn't that part of this same group of cases?

Mrs. WILLEBRANDT. The only way in which I can say that it was a part of the same group of cases is that in Mr. Littleton's authority appears the name of "Louis Brown and others." Brown was a very wealthy member of the Guckenheimer Distillery Corporation and was one of the defendants in the group of Guckenheimer cases which the United States attorney's office regularly handled and successfully prosecuted. Mr. Henderson prosecuted those cases.

The CHAIRMAN. I am interested to know why this man Littleton was appointed since counsel has raised the question. Just why was he appointed for the specific cases?

Mrs. WILLEBRANDT. I do not know.

The CHAIRMAN. Was the regular staff of the Department of Justice unable to handle the cases?

Mrs. WILLEBRANDT. I do not think they were; no. I do not know of any disqualification.

The CHAIRMAN. They had the time?

Mrs. WILLEBRANDT. They always found the time. Mr. Henderson and Mr. Moore did it in Pittsburgh.

The CHAIRMAN. So you know of no reason for having Mr. Littleton in this particular case specially appointed?

Mrs. WILLEBRANDT. I know of none.

Mr. MANSON. Did you not protest against the appointment of Mr. Littleton?

Mrs. WILLEBRANDT. I did.

Senator KING. Is Mr. Littleton one of the employees of the Prohibition Unit?

Mrs. WILLEBRANDT. I do not know. He is employed in the Treasury Department. Whether it is in the Prohibition Unit or some other part of it I do not know.

Mr. BRITT. May I answer that question?

Senator KING. Is he a lawyer?

Mrs. WILLEBRANDT. Yes, sir.

Senator KING. Do you know anything about his standing as a lawyer—whether he is a lawyer of years of standing?

Mrs. WILLEBRANDT. He was reported to me as a very good one.

Mr. BRITT. He is not and never has been an employee of the Prohibition Unit.

The CHAIRMAN. Is he an employee of the Treasury Department?

Mr. BRITT. I understand that he is or was employed in the office of the Solicitor of Internal Revenue, but of that I am not sure even. He has no connection with the Prohibition Unit.

That testimony was taken before a committee of the Senate in public. As far as I know, the accuracy of the testimony of Mrs. Willebrandt on that occasion has never been questioned; and assuming that her testimony is true, which I do, it seems to me it follows that was a case where very wealthy, influential men had been indicted by the efforts of the prohibition-enforcement officers, and when it came to trial the attorneys who knew about the cases, the attorneys who represented the Prohibition Unit, who secured the indictment, were thrust aside, and some unknown man, who was not even an official of the Prohibition Unit, was appointed as a special assistant to try these particular bribery cases, and never was appointed to try anything else; and every one of those cases failed. He was appointed over the protest of Mrs. Willebrandt, the Assistant Attorney General in charge of prohibition enforcement, and appointed at the request of Secretary Mellon.

Mr. SHORTRIDGE. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SHORTRIDGE. Did the attorney who secured the indictment cooperate with the attorneys trying the case or participate in the trial, or was he, as the Senator has said, thrust aside or given other assignment? I merely want to know the fact.

Mr. NORRIS. I will say in answer to the Senator from California, I know nothing about the case except what I learn from testimony. I have no personal knowledge outside of this testimony, and I draw my conclusions from it.

Mr. SHORTRIDGE. I listened to the reading of it.

Mr. NORRIS. Whether there was anybody else in the case or not, Mr. Littleton was given absolute charge of it, and when he first moved to nol-pros the cases that were left, which he had not finished, the judge refused to permit that to be done. Senators who are lawyers will appreciate that the very fact that the judge refused to permit the cases to be nol-prossed was almost conclusive proof that the judge, who had heard the other cases, was convinced that these people ought to be tried, and

were guilty. Otherwise, he certainly would not have interfered by an objection from the bench.

Mr. President, I have offered the evidence which I have read, all of it public, all of it evidence that has been before the public for quite a long time, and never, so far as I know, contradicted, the testimony of the head of the prohibition enforcement officers, and it demonstrates, if it demonstrates anything, that where there had been an indictment of wealthy, influential people, Mr. Mellon gave advice that was followed, over Mrs. Willebrandt's protest, and had an attorney from his department put in charge. Nobody seems to know just exactly who that attorney was, except that he was not an official of the Prohibition Unit, and had not anything to do with it.

This all shows, it seems to me, that there has not been a fair attempt to enforce prohibition. It all shows that the money we have already appropriated has not been properly and honestly used to ferret out the criminals who violate this law.

I might add that, in my judgment, almost dray loads of testimony could be brought to bear out this testimony in another direction, particularly with regard to the granting of fraudulent permits. In my judgment, one of the greatest loopholes in the prohibition law, by which men have been enabled to flout the law, and to violate it to their profit of many millions of dollars, has been through the fraudulent permits which have been granted. I am not going into that now, but if any student of the subject wants to look into it, he will find a world of information easily from various sources, showing in some cases where permits have been denied, where a favored, powerful attorney, or influential politician, afterwards secured the permits, without any difficulty, and almost as a matter of form.

Mr. SMITH. Mr. President, from the testimony the Senator has read, and the facts he has stated to the Senate, it appears that there has not only not been an honest attempt to enforce the law but that really the violation of it has been encouraged.

Mr. NORRIS. I think so. A great many men have talked to me about these permits, not under oath. Some of them I did not know very well, some of them I knew very well, and in some I had the utmost confidence. Still, I would not want to repeat what they have said, for fear they might have been mistaken. But I have reached the conclusion that one of the great loopholes is through the granting of permits to favored men.

I am not saying that the people who grant them are bribed and get any money out of it. It is a matter of politics. The politician, with his influence, can bear down on the officials of the Government, as this article of Mr. Mills shows that Mr. Hilles, the chairman of a political committee, took the matter even to the President of the United States, and the head of the enforcement bureau, Lincoln Andrews, even went to the city of New York to consult with him, and advised him that he had better let up, and let the politicians have their way. May we expect to get prohibition through that kind of enforcement?

Mr. HEFLIN. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. HEFLIN. In other words, they are filling up the law-enforcement service with men who do not believe in enforcing the law.

Mr. NORRIS. Exactly. Undoubtedly in a great many cases men are recommended by politicians entirely for political reasons, without the person recommending the appointment perhaps knowing the reason why the man wants the job, that he wants it in order to make money out of violations of the law. If you will think of it for only a moment, you can see that these violations, if people were going into it, and had the power, for financial reasons, would make a millionaire out of a man the first 30 days.

I do not like to tell my own experience, but it is so apt that I am going to relate an incident which came to my personal knowledge. My colleague, Senator HOWELL, and I, when there was a vacancy in the prohibition enforcement bureau for our State, recommended a man for appointment. As far as I was concerned, I admit that my recommendation would not have had much weight. I would not have been asked, and I was not asked, to make any recommendation; but my colleague, Senator HOWELL, occupied a more advantageous position, and I joined with him in making a recommendation. In fact, the man we selected was suggested by me, and agreed upon at once by my colleague, because we both knew him to be a man who in our State was an outstanding prohibitionist, and always had been. Before we had prohibition, and had a local option law, when municipalities, under the law, were allowed to grant licenses to saloons, and when in many cases there were objections to the granting of a license and the law provided for a hearing, this man always, all over the State, appeared on behalf of the prohibitionists. He was a specialist in that line. In addition to

that, he was a lawyer of more than ordinary ability, and was respected in the profession. Everybody, whether he agreed with him or not, looked up to him as an honest, able man, a good citizen in every respect.

It so happened that this man was a Democrat, but his name occurred to me, and when I suggested it to my colleague, he said, "He is the best man in the State for the job. Everybody will have absolute confidence in him. He will not be a crank. He will not go out and try to ferret out little things. He will try to get the big fellows. He will try to enforce the law honestly and fairly."

This man was a conscientious citizen, and everybody in the State knew him, at least by reputation; so we joined in recommending him. In a day or two word of the matter got out in our State, and in less than a week a representative of the bureau here in Washington called at my office in the Senate Office Building and said "Senator, there are some awful objections to that appointment you and your colleague have recommended." I said, "What is the matter with the man? Everybody knows him." He said, "Why, he is a Democrat. Did you not know that?" I said, "Yes." He said, "Did Senator HOWELL know that?" I said, "Yes; Senator HOWELL has known it for years. He lives in the same town with him. We knew he was a Democrat. We recommended him in spite of the fact that he is a Democrat. Has anybody said he would not enforce the law? Has anybody said that he would not do it conscientiously and with ability and fairly?" "Oh, no. The objection is from the leading Republicans of your State; that he is a Democrat and that he will appoint subordinates who will be Democrats. They insist on having something to say about the appointments."

I told him that, as far as I was concerned, I did not think anybody ought to have anything to say about the appointment of his subordinates, that I still stood on the recommendation, that my colleague undoubtedly would stand on it, and that I was not going to apologize or take it back. He tried his best to have me take it up with Senator HOWELL, to see if we could not recommend somebody else, and when I declined, he went away, saying, "Well, if you Senators insist on it, we will make the appointment."

The appointment was made, and within a very few days the same man came back and said, "There are a lot more protests from your State about this man. They say that he will appoint Democrats, and they want to have it understood that he will not be allowed to appoint his subordinates unless they are satisfactory to the leading Republicans, who want to pass on them."

I think he saw Senator HOWELL; Senator HOWELL can speak for himself, however, when he gets back, as to that, if he desires to do so. We both told him that within the limits of his authority we did not want anybody to interfere with this man's appointments. I told this gentleman distinctly that I did not want anything to say about it, and I did not want anybody else to have anything to say about it, that I did not care whether the men he appointed were Democrats or Republicans, and that I believed that what they ought to do was to hold this man responsible for the enforcement of the law, and within the limit of the law, let him appoint anybody he wanted to.

I remember distinctly that this representative of the Prohibition Unit in Washington said to me at that time—it being just before my campaign for reelection to the Senate came on—"They will make it hot for you out there in the campaign if you insist on this." I told him, of course, that they probably would; but that they would make it hot for me any way; that they had made it hot for me so many times that I rather enjoyed the sensation, and I still stood by my recommendation.

Mr. President, I have called attention to several instances. I could call attention to many more, but it seems to me they are outstanding. They show what has been attempted in the way of the enforcement of prohibition. No Senator and no Representative ought to be allowed to pick these subordinates. No politician and no representative of any political party ought to be allowed to do so. In fact, none of the officers ought to be appointed on account of political or partisan reasons.

Mr. BLAINE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Wisconsin?

Mr. NORRIS. I yield.

Mr. BLAINE. I was very much interested in the Senator's recitation of the testimony which he just read. Has the Senator any evidence that there would be any improvement in the personnel of the prohibition enforcement unit?

Mr. NORRIS. When?

Mr. BLAINE. In the future.

Mr. NORRIS. How soon in the future?

Mr. BLAINE. I was inquiring whether the Senator has any evidence of any anticipation that there will be any improvement at any time?

Mr. NORRIS. I had hoped there might be. I am inclined to think that publicity with reference to these matters will help to bring about an improvement.

Mr. BRUCE. Mr. President—

Mr. NORRIS. I yield.

Mr. BRUCE. May I ask the Senator whether it is a reasonable and comfortable hope such as the Scriptures speak of?

Mr. NORRIS. The Senator's question might make it embarrassing for me on account of recent history if I undertook to answer him directly. But I am going to cooperate with anybody who shows any signs of a desire or any inclination to enforce the law.

Mr. BLEASE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. I yield.

Mr. BLEASE. I would like to ask the Senator if he would mind giving us his opinion with reference to violations of the law such as I am about to mention. He has been speaking of certain people being exempt because of favoritism. What has he to say with reference to foreigners, ambassadors and others connected with foreign embassies, having all the liquor they want in their homes, driving up and down the street drinking it, driving around in the city drunk, having the liquor brought in from Baltimore in large trucks which are guarded by United States soldiers, and then freely distributed around the city to outsiders?

Mr. NORRIS. Yes; I have some information on that subject.

Mr. BLEASE. I have a lot of it myself.

Mr. NORRIS. I have some decided opinions on the subject. I will say to the Senator. I had not intended to discuss it, but I think one of the sad predicaments, applying only to the District of Columbia, that we get into the enforcement of the law is the very thing the Senator from South Carolina has suggested. I have never had anybody try to sell liquor to me, but I have talked to employees of the Government who have told me that employees of some of the foreign embassies make a business of selling liquor by the bottle.

Mr. BLEASE. Liquor brought here under the protection of United States soldiers.

Mr. NORRIS. Brought here under protection of their diplomatic relationship. I do not know that the heads of the embassies knew anything about it, but the employees are using this liquor and selling it illegally, and they ought not to be protected in any way. I am in favor of anything that will go to the eradication of that evil.

I remember two or three years ago when men claiming to be representatives of the Kerensky government in Russia were in possession of the Russian Embassy here. They represented a government that had been dead for two or three years. There was not any such government, but they kept up a fiction of occupying the beautiful embassy here, and the Government of the United States recognized them as Russians and they were living high upon money which as a matter of fact came from taxpayers of the United States. On one occasion the newspapers in Washington announced that a drayload of liquor—I have forgotten exactly how much, but as I remember now there were 11 barrels of whisky and a lot of other kinds of liquor—was taken in charge by the prohibition enforcement officers. The fake embassy of a dead foreign government called upon the Secretary of State of our Government and demanded protection. The Secretary of State came into the matter, and that liquor was sent back to those people because it was protected on account of being consigned to the Russian Embassy in the United States. I still have some interesting correspondence that I carried on with Secretary Hughes over that situation. Of course, such things make the enforcement of the law ridiculous. I do not believe any foreign government would for a moment, if they knew it, permit their officials to go into the bootlegging business. Those who are high up in officialdom undoubtedly do not, but that there is a whole lot of that sort of thing going on in this Capital City of ours there can be no doubt whatever.

Mr. SMOOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield.

Mr. SMOOT. I want to ask the Senator a question to see if I understand his position correctly. The man to whom the Senator referred was not appointed and, as I understand it, the reason why he was not appointed was that he was too old

to take the examination. He could not take the civil-service examination for that reason. I also understand that he was appointed as an attorney in the Prohibition Unit, and is to-day occupying that place.

Mr. NORRIS. To which man is the Senator referring?

Mr. SMOOT. To the man the Senator and his colleague recommended for appointment to the Prohibition Unit.

Mr. NORRIS. But the man we recommended was appointed and, until they circumscribed him by a lot of regulations and by placing a lot of men under him who were no good and refusing to put the men under him whom he wanted, he made the best record that had ever been made in our State in the enforcement of the law.

Mr. SMOOT. He was treated just exactly the same as the best men in Utah were treated, because of the fact that they could not take the civil-service examination. That is what happened with your man.

Mr. NORRIS. I know just what happened to my man, as the Senator calls him. He was appointed.

Mr. SMOOT. So was our man appointed.

Mr. NORRIS. I do not know anything about the Senator's man, but I do know something about mine.

Mr. SMOOT. But he took the examination after he was appointed.

Mr. NORRIS. I do not suppose my man ever took the examination.

Mr. SMOOT. He did try to take it.

Mr. NORRIS. There was not any such thing as an examination then. The unit was not under the civil service law then.

Mr. SMOOT. I know it was not; but he could not take the examination, just the same as some serving in my own State could not take it.

Mr. NORRIS. Perhaps he could not. I do not know, and I do not care about that. There was not any such thing as an examination, and he never took any.

Mr. SMOOT. He was appointed just the same as many others were appointed in the service. After the law was enacted placing such appointees under the Civil Service Commission and requiring that they should take the examination, this man could not take the examination under the law, and the department, believing he was a splendid attorney, appointed him as an attorney in the department.

Mr. NORRIS. The Senator is talking about a last year's bird nest. It has not anything more to do with what I am saying here than "the flowers that bloom in the spring." [Laughter.]

Mr. SMOOT. Why did the Senator refer to the man, then?

Mr. NORRIS. The Senator is a very wise man, and I dislike to ascribe to him a lack of knowledge or to intimate that he did not get the point I was trying to demonstrate. I was trying to show then—and I think I demonstrated it—that they were going to keep this man out because he was a Democrat. That was the point. That was the only objection made. This man was appointed according to the recommendation of my colleague and myself.

Mr. SMOOT. And they did not keep him out.

Mr. NORRIS. I never said they did keep him out. I never said anything about that. He is still in the business and is a success at it.

Mr. SMOOT. He is still an attorney in the department, and a good attorney. There is no doubt about that. The department, after he could not pass the civil-service examination, did not dispense with the man's services, like they had done in some other cases, but appointed him as an attorney in the service. He was a Democrat when he was first appointed; he was a Democrat at the time he could not pass the examination; and he was a Democrat at the time they appointed him again, and I have no objection to it at all.

Mr. GLASS. What business has the Senator from Utah to make an objection to an appointee from Nebraska?

Mr. SMOOT. None whatever. I was simply answering what I thought was the impression the Senator from Nebraska left with the Senate in relation to this man.

Mr. GLASS. The Senator stated as a great concession that he had no objection to what the Prohibition Unit did in appointing him.

Mr. SMOOT. The question was as to his appointment. The reasons why he was taken out were not mentioned, and what the department did after he was out was never mentioned by the Senator from Nebraska.

Mr. NORRIS. Of course, and I did not tell anything about what the temperature of the weather was yesterday. It has not anything to do with this matter. I do not care what happened afterwards. I was giving an illustration; and if the

Senator could not see it, I will repeat it. I was illustrating that in the appointment of prohibition enforcement officers politics was having an undue influence and effect, and I told that story to demonstrate it.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. Does anybody imagine that the same rule does not apply now? Is anyone, whatever his age, race, or previous condition of servitude, so simple as to fancy that politics does not control largely in the selection of prohibition enforcement officers at the present time? Is it not well known that the Senator from Utah does make a concession when he has no objection to the appointment of a Democrat to this service? Is it not well known that the Senator from Utah has indorsed and recommended a large percentage of the employees in the Prohibition Service?

Mr. SMOOT. That I must admit, Mr. President. [Laughter.]

Mr. ROBINSON of Arkansas. Certainly the Senator admits it. He would not deny it, because the record shows the fact.

The Senator from Nebraska has demonstrated that the controlling consideration at the time he spoke of in the selection of prohibition officers was political power; to get men in office who belonged to the administration, who would recognize the Republican Party as their first and dominating master. The same rule, perhaps in a different degree, applies to-day. The prohibition enforcement forces in large part were converted into political factors. In the last campaign they dictated the course that was pursued by the men who were engaged in the liquor business. In some instances they told them what to do, where to go, how to vote, and what influences to exert.

This subject goes far deeper than some Senators are content to recognize it as going. If anyone imagines that political influence has been eliminated and is no longer exerted or effective in the selection of these agents, he belongs in a class that is incapacitated for public service even in the United States Senate. [Laughter.]

Mr. SMOOT. Mr. President, I want to say—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I will yield if he will ask me to do so.

Mr. SMOOT. I ask the Senator if he will yield?

Mr. NORRIS. I yield.

Mr. SMOOT. I want to say to the Senator from Arkansas that since the passage of the act placing employees of the Prohibition Unit under the civil service law I have never recommended a man for appointment. They have all been examined. I have never looked into the examinations. I do not know what their politics may be.

I will say further to the Senator that I believe in the civil-service system and I think that it should be followed just as the law intended.

Mr. ROBINSON of Arkansas. Mr. President, if the Senator will extend his examination—

Mr. NORRIS. Mr. President, I myself wish to occupy the floor for a little time.

Mr. ROBINSON of Arkansas. I think that would be appropriate.

Mr. GLASS. Mr. President, will the Senator from Nebraska yield to me for just one moment?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. NORRIS. I yield.

Mr. GLASS. I send to the desk a proposed substitute for the pending amendments, so that further discussion may proceed with that in view.

Mr. NORRIS. I yield to the Senator from Virginia for that purpose. Does the Senator from Virginia desire to have his proposed substitute read?

Mr. GLASS. I ask to have it read.

The PRESIDING OFFICER. The clerk will read the substitute proposed by the Senator from Virginia, for the information of the Senate. It is not in order, however, for action at this time, as it would be an amendment in the third degree.

Mr. GLASS. It is proposed as a substitute for the pending amendments.

The PRESIDING OFFICER. The clerk will read, as requested.

The LEGISLATIVE CLERK. On page 16, after line 16, it is proposed to insert:

For the purposes of a thorough inquiry into the problem of prohibition under the provisions of the eighteenth amendment of the Constitution and laws enacted in pursuance thereof, \$250,000, or so much thereof as may be required, to be expended under authority and by direction of the President of the United States, who shall make report

of the result of such investigation to the Congress, together with his recommendations with respect thereto, said sum to be available until June 30, 1930.

The PRESIDING OFFICER. The amendment in the nature of a substitute proposed by the Senator from Virginia will be printed and lie on the table.

Mr. NORRIS. Mr. President, just a few words in conclusion. I think I have made it plain that what the Senator from Utah [Mr. SMOOT] has said has not anything to do with the evidence I have produced or the point I was making. It is immaterial whether the man who was appointed on the recommendation of my colleague and myself is still in the service or whether he is in the penitentiary or whether he is dead. That has not anything to do with the point. It is also immaterial how pure the Senator from Utah may be and how white the robe may be in which he is clothed so far as not making any recommendations for appointments is concerned. I have not said that he did so. I am willing to accept his word for all that he has stated. That, however, has not anything to do with the matter. Let us not get away from the question on which we are going to vote.

Mr. GLASS. Mr. President, what I tried to disclose a while ago was whether or not the Senator from Utah is charged with the function of supervising recommendations made by respective Senators within their own States. What has he to do with it?

Mr. NORRIS. Of course, he does not have anything to do with it.

Mr. ROBINSON of Arkansas. Do not be so certain about that. [Laughter.]

Mr. NORRIS. The reason why I think he does not have anything to do with it was because the recommendation made by my colleague the junior Senator from Nebraska [Mr. HOWELL] and by myself was followed in that instance. I think that is a pretty good demonstration that the Senator from Utah did not have anything to do with the matter.

Mr. JONES obtained the floor.

Mr. GEORGE rose.

Mr. NORRIS. Mr. President, does the Senator from Georgia desire to ask me a question?

Mr. GEORGE. No; I wish to speak very briefly on the pending amendment.

Mr. JONES. I shall not speak very long.

Mr. GEORGE. Very well.

Mr. JONES. Mr. President, the Senator from Georgia [Mr. HARRIS] needs no defense from me or from anyone else, but I have seen in some of the newspapers some question raised as to his sincerity in presenting this amendment. I wish to say that, in my judgment, there is no more earnest, sincere Member of the Senate than is the Senator from Georgia, and I myself am satisfied that there was no politics whatever in his mind or in his thought when he proposed this amendment.

There was, however, one suggestion that he made that I think was a little too broad, and the same suggestion substantially was made by my friend from Nebraska [Mr. NORRIS], although not in exactly the same words; that is, that prohibition enforcement is a farce. I know it is not as effective as I would like to see it. Enforcement may be a farce in some sections of the country; it may be a farce in some States; but I am satisfied there are other States where enforcement is rather effective.

There are certain methods and procedure by which enforcement can be made very reasonably effective. In my State enforcement is not all that we would like to have it, but I think it is very reasonably effective there. We have, too, about as difficult a problem to enforce prohibition in that State as in any State in the Union. The State of Washington is on the border. Puget Sound waters connect with the waters touching another country as well as our own. Puget Sound has a coast line of practically 2,000 miles. There are inlets, bays, straits, narrow channels, islands, and all that sort of thing; so that it is extremely difficult to enforce the prohibition law in that territory; but, with the conditions such as they are, I think we have very reasonable enforcement. A number of the largest prohibition cases in the country have been prosecuted to a successful conclusion in that State.

Mr. President, I do not generally refer to personal matters, but I am going to take the liberty to speak of the method and the procedure I have followed in my State since we have had prohibition. I believe that if a similar course were followed in the various States of the country we would have generally pretty adequate enforcement. I am going to suggest for the administration, either present or incoming, a procedure to follow which, in my judgment, will very greatly aid in the enforcement of the prohibition law.

I agree with much that the Senator from Nebraska [Mr. NORRIS] has said on this subject. There should be no politics in prohibition and prohibition enforcement; and, in my judgment,

it can not be charged that there is partisan politics on the question of prohibition in this country. I know that there are proportionately just as many Democrats who favor prohibition as there are Republicans throughout the country. It ought not to be a partisan issue; there should be no partisan politics about it. The eighteenth amendment is a part of the Constitution and laws have been passed for its enforcement, and, regardless of our personal views either of politics or as to the merits or demerits of prohibition, it seems to me that so long as the prohibition amendment is a part of the Constitution every good citizen should stand for its enforcement, at any rate, and should stand for adequate laws to see that it is enforced. That does not mean, in my judgment, that the man who does not favor prohibition should not express his sentiments; not at all. I have no fault to find with any man, no matter what his position may be, if he honestly does not believe in prohibition, who advocates a change and presents his reasons for it. One can do that, however, and at the same time stand behind the enforcement of law so long as it is the law of the land. I repeat, there ought to be no politics in the selection of the officers to enforce this law, and I know that in some States, at any rate, there has not been any politics in the selection of the agents to carry out the law.

As I have said, I am going to make a personal reference as to my attitude. When prohibition was adopted and there arose the matter of the appointment of marshals and United States attorneys and other officials in my State, I publicly announced that I would recommend no man for a Federal position as Federal attorney or marshal, or to any position that had to do with the enforcement of prohibition, until I had a written pledge from him that he would stand by the enforcement of the law. I have followed that practice, and I expect to continue to follow it in the future so far as I am called upon to do so. I think that accounts very largely for the earnest enforcement we have had in the State of Washington, although, as I have said, it is not as yet all that we might hope for.

In the selection of the State prohibition director the prime consideration that was insisted upon was that the man who was to be appointed to direct and carry out the enforcement of the law must himself believe in prohibition and be sincerely back of it. Such a man was selected, appointed, and placed in charge of the prohibition enforcement in the State, and he has been there from that day until this.

As to the selection of the deputies or agents under him, I told him that I would not interfere in their selection in any way, shape, or form. I told him that I would, so far as I could, hold him responsible for the administration of his office and for the enforcement of prohibition; and I said, "In the selection of the men for whom you are responsible you shall have full authority to select them, and no question of politics shall be asked or should be considered."

That policy has been followed from that day until this, and the same policy has been followed with reference to the United States district attorney. He was held responsible for the conduct of his office; he was held responsible for the enforcement of the law; and he was allowed an entirely free hand, without politics being considered one way or the other, to select the men for whose conduct he was to be held responsible.

In the attorney's office and the prohibition administrator's office in my State there has been no politics; and there has been a very reasonable enforcement of the law—an enforcement, in my judgment, as adequate as was possible with the force that they had at their command.

Instead of having had trouble with the administration from a political standpoint, we have had the backing of the administration. The greatest trouble we have had, I think I may say, has been from the intelligence unit of the Government seeking to discredit and to have removed men who are standing by the enforcement of the law. In one or two instances I was compelled to go to the President of the United States in order to protect men who were enforcing the law and standing by its enforcement from the machinations of the intelligence unit. I am glad to say that the President of the United States stood by me on that proposition.

Mr. BARKLEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Kentucky?

Mr. JONES. I yield.

Mr. BARKLEY. In what department and under what jurisdiction does the intelligence unit referred to by the Senator operate?

Mr. JONES. The Senator knows that as well as I do; it is in the Internal Revenue Bureau.

Mr. BARKLEY. Under the Secretary of the Treasury?

Mr. JONES. I had no trouble with the Secretary of the Treasury. The trouble came from another source.

Mr. BARKLEY. I am not seeking to discredit the Secretary of the Treasury or anybody else, I will say to the Senator; but it is interesting to know that there is any department of the Government whose intelligence unit is deliberately operating to forestall the enforcement and observance of a law of this kind.

Mr. JONES. I think the Senator is right; and I say frankly—and I am speaking only from the experience in my own State; I do not know what their business has been in other States—that the principal work of the intelligence unit in the State of Washington has been to discredit the prohibition-enforcement officers. If there has been any serious interference with the enforcement of prohibition, it has been on the part of a unit that, in my judgment, should stand by the enforcement of the law instead of seeking to discredit men who are honestly and faithfully trying to enforce it.

I think it would be a wise policy for an administration to follow to see to it that the Attorney General of the United States, selected to head and direct the law-enforcement activities of the Government, should pledge himself to see to it so far as it is in his power that the law is enforced; and he should see to it that every man who is a candidate for United States district attorney, before he is appointed, in addition to his general oath, shall pledge himself specifically to see to it that the law, and especially the prohibition law, is enforced.

Why should there be any special pledge with reference to the prohibition law? This is the reason, as it appears to my mind: It is well and good, of course, to assume that every official is standing by the law and law enforcement; but there is a special fight being made on prohibition and against prohibition enforcement, and because of that specific and special fight there should also be specific action pledged by the officers of the law looking to the enforcement of the prohibition law.

So the Attorney General of the United States should see to it that United States marshals—who are also charged with the special duty of enforcing the law, and who have much to do with it—are not appointed who have not pledged themselves to stand by this law. With United States marshals and United States attorneys acting under the specific direction of an Attorney General of the United States for the enforcement of this law, we will have much more effective enforcement than we have had in the past.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Virginia?

Mr. JONES. I do.

Mr. GLASS. What better pledge could be exacted from these officers than their oath of office? They swear to enforce the law. What better pledge than that could be exacted?

Mr. JONES. I tried to make plain why I take the attitude that I do. Because of the special and specific attacks made upon the prohibition law, special activity is required, in my judgment, in defense of it; and because of the various influences that the Senator from Nebraska [Mr. NORRIS] has pointed out that seek to have officials wink at the violation of the prohibition law, I believe that the Attorney General has the right to require a specific declaration, and should do it, with reference to that law. I admit that that ought not to be necessary; but I believe that it is highly essential.

Mr. GLASS. I think it would be perfectly futile, because any man who would disregard his solemn oath of office would disregard any other pledge that might be exacted from him by a politician, or a statesman in this particular case.

Mr. JONES. At any rate, I think the Attorney General of the United States should make every United States attorney and every United States marshal know and realize that he will be held especially responsible for the enforcement of this law. I think that would do more to nullify political pressure and political influence than anything else.

I want to say to the Senator that practically no efforts have been made to bring political influence to bear to influence the officials in my State, and they have not sought to influence me toward securing leniency or dismissal of prosecution or a cessation of prosecution against those who might be charged with the violation of this law. Of course, as long as certain politicians have hope of using their influence in behalf of men in whom they may be interested, they will do it; but when they know that that is hopeless, that they can accomplish nothing through such machinations, they will not seek to do it.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington further yield to the Senator from Virginia?

Mr. JONES. I do.

Mr. GLASS. Does not the Senator really think that the Prohibition Unit should be transferred to the Department of Justice, where the law is supposed to be enforced? It has been

the considered and avowed judgment of every Secretary of the Treasury in recent years, after a thorough review of the question, that this unit should be transferred from the Treasury Department, which ought to have nothing on earth to do with it. There is nothing associated with it that is pertinent to the proper functions of the Treasury Department. It ought to be transferred to the Department of Justice; and, notwithstanding every Secretary of the Treasury for the last 12 years has so recommended, it has not been done, simply because the Anti-Saloon League objects to it.

Senators get up here and criticize the present Secretary of the Treasury for the nonenforcement of this law. I want to say, from my own observation and experience, that the Secretary of the Treasury has nothing in the world to do with the failure of the enforcement of the law, nor has he anything whatsoever to do with the enforcement of the law. It does not come to his personal knowledge and review and supervision, except in the very rarest case on earth; and it is not fair to that official to charge him with the failure of prohibition when he practically has nothing to do with it. It ought not to be in his department. It ought to be in the Department of Justice, where laws are supposed to be vigorously enforced.

Mr. JONES. Mr. President, the Senator has not heard me criticizing the Secretary of the Treasury.

Mr. GLASS. Not the Senator from Washington; no.

Mr. JONES. I have a very high regard for the opinion of the Senator from Virginia. The Senator from Virginia speaks from personal knowledge and experience with reference to that situation. He was an honored and able Secretary of the Treasury for some time, so that he speaks from knowledge that I do not have. I will say frankly, however, that I am rather inclined—this is not by virtue of the Anti-Saloon League or any other organization—to oppose the transfer of the Prohibition Unit to the Department of Justice.

I will not say that I have an absolutely fixed opinion with reference to that matter, because, as I said, I have not the knowledge that the Senator from Virginia has; but I have been told, at any rate, that there are certain activities, especially with reference to the use of liquor for medicinal purposes and for various purposes, that are in charge of the Prohibition Unit and that are peculiarly matters connected with the Treasury; but if it should be shown that that is not the case, I might change my opinion. As I say, I have not a fixed opinion, although I am very strongly of the belief now that it would be unwise to transfer this activity to the Department of Justice.

I can see that if the Prohibition Unit as an organization, formed as it is now, should be transferred bodily to the Department of Justice, it might not have very serious consequences; but my impression at the present time is that it should be kept where it is, and that if any change is made it should be this: The Prohibition Unit has attorneys under practically every administrator. They are absolutely necessary and essential. If these attorneys were made ex-officio assistant United States attorneys, that, in my judgment, would serve very largely the purpose that is desired.

I know that in my State we have one of the ablest attorneys in the State as the attorney of the Prohibition Unit; a man who is sincerely and earnestly in favor of enforcement; a man who could act as an assistant United States attorney with very great efficiency; and a man who possibly more than any other man is engaged in the successful prosecution of many of the big cases in our State. That is my impression now. As I say, my opinion is not absolutely fixed; but I am satisfied that nothing that can be said on this floor now could lead me to a change. I think, however, that the matter should be gone into very carefully.

That calls to mind one phase of the question that I wanted to talk about a little, and that is the frequent changes that are made.

It has been suggested that we have not had adequate enforcement; and, taking it generally, I think we have not. I think one of the great reasons for that is the continued changes in the prohibition-enforcement system. The present system has been in operation now, I think, a little over a year, and I think it is probably getting down to a reasonably fair basis—a basis where it is working reasonably well, and the longer it is maintained the more efficient it will become. Before that, however, we had change after change in the head of the Prohibition Unit, and each man who was made the head of it seemed to want to change the system or change the principles that should govern him in his activities. That necessarily interfered with the efficient enforcement of the law, and I think it has had much to do with rendering it largely inefficient.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. McKELLAR. Is it not a fact that under the present system the prosecution of those indicted for violating the prohibition act is entirely under the control of the Department of Justice?

Mr. JONES. That is true.

Mr. McKELLAR. And is there not very largely a duplication of work? The prohibition attorney has to be present, as well as the assistant attorney prosecuting the case. I will say that I agree with the Senator that the unit ought to be transferred. It ought not to be destroyed in the Treasury Department and then a new unit created in the Department of Justice; but I see no reason why the entire unit should not be by law transferred to the Department of Justice, and the whole matter put under the control of the Attorney General. It would prevent a duplication of work; it would decrease the enormous cost that we now have of enforcing this law; it would bring about a better enforcement of the law; and, to my mind, it ought to be done.

Mr. JONES. Mr. President, I do not think it would work much reduction in the force. I know that in my State, if prohibition enforcement directly were turned over to the Department of Justice, there would have to be additional assistant United States attorneys.

Mr. McKELLAR. That might very well be; but I want to have the law enforced, as I know the Senator does. We want to have it enforced in the very best and most effective way possible. In order to get the very best results, it seems to me, the Prohibition Unit ought to be in one department and that department ought to be held strictly responsible for it. As the Senator from Virginia has well said, the Secretary of the Treasury can not give his individual time to the enforcement of this law, perhaps, but it could be better enforced if it were under the Department of Justice.

Mr. HARRIS. Mr. President, may I say just one thing in reply to the Senator from Virginia and the Senator from Tennessee? The Senator from Virginia takes the position that the Secretary of the Treasury does not know what is going on about this, does not have anything to do with it. Before the House committee his enforcement officers asked for ten times as much money as they are now getting. The only reason in the world why the pending amendment will be defeated, or can be defeated, is because the Secretary of the Treasury is using all the influence possible in this body to keep it from being adopted. Enough Members on the other side of the Chamber told me that they would vote for my amendment to insure its adoption until the Secretary of the Treasury came out with a statement urging that they not vote for it.

Mr. President, in the last two paragraphs of the letter of the Secretary of the Treasury he states distinctly that he will not say that this money is not needed; but he has enough interest in this thing to try to defeat it, and I am afraid he may defeat it.

Mr. McKELLAR. Mr. President, will not the Senator yield to me to refer to that? I am not here defending or criticizing the Secretary of the Treasury, but since the Senator from Georgia has brought the matter up, I want to say that I believe we will get an infinitely more effective enforcement of the act if we take it out of the hands of the Treasury Department and put it into the hands of the Department of Justice.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Virginia?

Mr. JONES. I yield.

Mr. GLASS. I will say to the Senator from Tennessee that the last four Secretaries of the Treasury, after a careful review of the whole problem, recommended that this very thing be done, and I think those officials know better than we whether it should or should not be done.

Now, just for a moment let me call the Senate's attention to the functions with which the Secretary of the Treasury is charged, and then ask if in plain, common sense it may be hoped that the Secretary of the Treasury can have much to do with the enforcement of the prohibition law. Of course, the Secretary of the Treasury takes note of a proposition to appropriate the tremendous sum of \$25,000,000 for any purpose under the Government, but that is vastly different from following up in detail the enforcement of a law like this.

The Secretary of the Treasury, aside from being charged with the general financial policy of the Government, has under his jurisdiction all the banking institutions of the United States, the office of the Comptroller of the Currency, the office of the United States Treasurer. He has charge of the enforcement of the national bank exemption law. He has under his charge the Bureau of Customs; the Bureau of Internal Revenue,

with all of its ramifications; the Bureau of the Mint; the office of Register of the Treasury; the Federal farm loan system of the country; the Bureau of Engraving and Printing; and the Bureau of the Public Health Service, which the Secretary of the Treasury has long ago recommended to Congress be taken from under the jurisdiction of the Treasury Department. What has the Public Health Service to do with the functions of the Treasury Department? The Secretary of the Treasury has under his jurisdiction the Hygienic Laboratory; the Coast Guard, which is properly under the Treasury because it has to do with smuggling and customs collections; the Office of the Supervising Architect of the Government; the custom houses; the General Supply Committee; the Bureau of the Budget, which has now taken complete charge of the Government of the United States, not content with performing its function of estimating for appropriations, but actually interfering in the policies of this Government, against which I am going later to protest as vigorously as I can.

With all those functions, how can it be expected that the Secretary of the Treasury can be accurately and properly advised of the enforcement of a law like this? The enforcement of this law ought to go to the Department of Justice. That is where it belongs, and that is where it would have gone long ago except for the fact that the Anti-Saloon League, which has become nothing but a political adjunct, opposed it.

Mr. JONES. Mr. President, I desire to say that I do not recall any member of the Anti-Saloon League ever having spoken to me in regard to the matter. My opinion, which I say is not absolutely fixed, but which I am inclined to, has been formed from my own observation and experience. The Senator from Virginia is more competent to speak, I will say, and his judgment is far better than mine on matters of this kind.

Mr. GLASS. Certainly the Senator knows that the Anti-Saloon League has openly avowed its opposition to the transfer repeatedly, every time it has been proposed by a Secretary of the Treasury.

Mr. JONES. That may be true, although I will say that if I saw any statement of the kind in the papers it did not impress itself on my mind particularly.

Mr. GLASS. As good a prohibitionist as the Senator from Washington should at least keep as well advised about those things as I.

Mr. JONES. The Senator has had an experience as Secretary of the Treasury that gives him a knowledge which a man could not get in any other way.

I will say this, that I do not see such serious objection if the Prohibition Unit, as a unit, is taken over and made a part of the Department of Justice, and placed under an Assistant Attorney General. It would go a long way with me if it were taken over there and put under Mrs. Willebrandt, who I think has made a most excellent Assistant Attorney General, and who I believe could be depended upon to enforce this law.

Mr. GLASS. Does the Senator mean by that suggestion to have me renounce my considered judgment in the matter?

Mr. JONES. No; I am not seeking to influence the Senator from Virginia. I am just expressing what might influence me. It might not have any influence with him.

Mr. BLAINE. Mr. President, will the Senator yield?

Mr. JONES. In just a moment. At any rate, I would want to see an Assistant Attorney General who is a believer in the law and a believer in the principles of the law, and I take it that the Attorney General would place such an Assistant Attorney General in full charge of the enforcement of the law. Now I yield to the Senator from Wisconsin.

Mr. BLAINE. I would like to ask the Senator if, before he gave his certificate of good character to the estimable madam, he had observed that the Washington Post of to-day announced as follows:

A House committee, appointed to investigate Federal prisons, is writing a report which will severely criticize Mrs. Mabel Walker Willebrandt, Assistant Attorney General, for putting an undercover agent of the Department of Justice in the Atlanta prison to "spy" on Warden John W. Snook. Members of the committee assert she overstepped the law.

Mr. JONES. I would have to be pretty clearly convinced of her overstepping the law, even though it may be submitted in a report of some other body than this. I have had considerable experience with Mrs. Willebrandt while she has been in office as assistant to the Attorney General with reference to the enforcement, especially of prohibition, and I have a very great deal of confidence in her and in her administration of the law, and in her ability and honesty and integrity.

Mr. President, I did not intend to take so much time on those matters, because they have not so much to do with the pending proposition; but in connection with enforcement, and a sugges-

tion made yesterday as to an additional force, I ask to have printed in the Record Senate bill 1904, which I introduced in the Senate at the last session entitled "A bill to provide for the appointment of additional district judges to be known as associate district judges, and for other purposes." I ask that that may be printed in the Record.

I want to say, that in brief the bill provides for the appointment of additional district judges to be known as associate district judges; it fixes their salaries at \$6,000 a year and gives them original jurisdiction over violations of the prohibition law, the narcotic law, and certain misdemeanors.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was ordered to be printed in the Record, as follows:

[S. 1904, 70th Cong., 1st sess.]

A bill (S. 1904) to provide for the appointment of additional district judges to be known as associate district judges, and for other purposes

Be it enacted, etc., That for any judicial district in which the volume of Federal judicial business is, in the opinion of the President, sufficient to warrant the appointment of additional district judges the President is authorized to appoint, by and with the advice and consent of the Senate, not in excess of two district judges, in addition to those now authorized by law. Such additional judges shall be known as "associate district judges." Each associate district judge shall receive a salary of \$6,000 per annum payable in monthly installments, and shall reside in the district for which he is appointed.

SEC. 2. The associate district judge or judges appointed under the authority of this act for any judicial district shall hear and determine, to the exclusion of the other district judges in such judicial district, the following cases and proceedings, and no others: (1) All criminal cases and proceedings arising under the national prohibition act, as amended, or any other law relating to the enforcement of the eighteenth amendment, or under the narcotic drug laws; (2) all cases and proceedings for the prosecution of misdemeanors as defined in section 335 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended; and (3) all civil cases and proceedings where the amount in controversy does not exceed, exclusive of interest and costs, the sum or value of \$10,000, of which the district courts of the United States are given jurisdiction by law, original, on removal or otherwise.

SEC. 3. If the hearing of any case or proceeding is begun before any associate district judge which should have been begun before another district judge, or if the hearing of any case or proceeding is begun before any other district judge which should have been begun before an associate district judge, such hearing shall be discontinued, but the case or proceeding shall be transferred for hearing and determination before the proper judge, who shall thereupon hear and determine such case or proceeding, in the same manner as if the hearing had been duly begun before him in the first instance; except that all testimony taken and all proceedings had before such transfer shall stand as taken or had in the case or proceeding with like effect as if the hearing had been originally begun before the proper judge.

SEC. 4. The appointment of any associate district judge under the provisions of this act shall not affect cases and proceedings pending at the time of such appointment, and all such cases and proceedings shall be continued and disposed of in the same manner and with the same effect as if such appointment had not been made.

Mr. JONES. Mr. President, when this matter came up in the committee, I voted to adopt the amendment proposing to appropriate \$25,000,000. I did so because I thought that we ought to have some more money for enforcement. That opinion was not based upon any special information I had secured from the department or from any of the officials of the department.

The committee directed the chairman to ask for a report from the department and recommendation with reference to this amendment. That report has been sent to the committee and has been placed in the Record. As I understand it—and I get this understanding from the press, and it is a very natural thing, I think—there was a conference over the matter by the Secretary of the Treasury, the Assistant Secretary, Mr. Lowman, and the Prohibition Commissioner, Mr. Doran.

As I understand it—and this is substantially what the Senator from Virginia suggested a while ago—the matter of the enforcement of prohibition is left entirely to Assistant Secretary of the Treasury Lowman. It is absolutely impossible, as the Senator from Virginia has said, for the Secretary of the Treasury to give very much if any personal investigation to the matters in all the various branches of his department. So while there has been much criticism of the Secretary of the Treasury, I do not join in that criticism, and I do not join in it because of the general knowledge I have of the activities of the department, as referred to by the Senator from Virginia. I have been advised and have understood that the Secretary has left to his Assistant

Secretary practically the entire control of the enforcement of prohibition.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. NORRIS. The Senator may have covered the matter about which I am about to inquire, because I have not been in the Chamber for the last half hour, but in connection with what he has just said I want to ask him what he thinks of the facts brought out by the testimony of Mrs. Willebrandt, in which she stated that the Secretary himself interfered in the prosecution of certain violators of the prohibition law in western Pennsylvania.

Mr. JONES. I think while the Senator was out I referred to possible political influence in these matters. I can see how political influence may have been brought directly to bear upon the Secretary of the Treasury with reference to some particular matter like that, and I would have no excuse whatever to make for his yielding to any such influence. If he did it he should be condemned for it, especially if there was any general yielding along those lines. I could not stand for anything of that sort.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JONES. I would like to proceed, but I yield.

Mr. BARKLEY. I want to ask the Senator about a matter which seems to me to be of some consequence in connection with the enforcement of the prohibition law. We have all decried the custom of having law-enforcement agents and officers appointed purely for political reasons.

Mr. JONES. I would condemn that most vigorously.

Mr. BARKLEY. I admit, of course, as we all must, I suppose, that under any administration there is always a certain amount of political pressure for the rewarding of political friends. We enacted a law putting the Prohibition Enforcement Unit appointees under civil service in the hope that we would get away from that objection. Examinations were held, and the common knowledge or common rumor, at least, is that a very large percentage of the men who had been previously appointed failed to make the required grade to pass the civil-service examination. If that is the fact, then it indicates either that the examination was unusually severe or that the men who had been appointed were unusually incompetent. I have also heard that in spite of the fact that many of the previous appointees had failed in the examination, politics was still having its hand in the matter by bringing pressure to have some maneuver by which those who failed could have their papers regraded or take another examination in order that they might be put on the eligible list. If that is true, that would also be an indication that the matter is not so seriously considered by the Civil Service Commission as it ought to be. Has the Senator any information as to whether those rumors are correct, and, if so, to what extent?

Mr. JONES. I can not speak generally with reference to those rumors. I will say, however, that while I am generally in favor of the civil service, I doubted very much the wisdom of applying it to the prohibition agents. I had probably more in mind the condition in my own State than elsewhere. I felt that it would not conserve the best interests of prohibition in my State, under the conditions that we have there, to have these agents put under the civil service. But I hoped that it would tend, taking the country as a whole, to permanency in administration and to efficiency of administration of the law.

Mr. BRUCE. Mr. President, may I give the Senator the information asked for by the Senator from Kentucky? I can give him that information.

Mr. JONES. Before the Senator does that let me say that this was a new proposition that we put up to the Civil Service Commission. There were, I suppose, thousands of applicants who took the examination. The examination papers had to be passed upon. That is bound to take considerable time. Furthermore, I have no doubt that the commission, in determining the process which should be followed in measuring the various applicants, made many mistakes, because they had no experience along those lines.

I have in my desk now the papers of a man who is vouched for in my State not only by the prohibition officials over him but by the temperance organizations, as being one of the most efficient and best enforcement officers in the service. He was in the prohibition enforcement service for quite a long while, but upon this examination he was rejected. I propose to take it up with the Civil Service Commission. I feel satisfied from information I have that the commission was imposed upon by the testimony which was gotten by its special agent going out into the field to investigate the character and efficiency and ability of this man. I am satisfied they were imposed upon. I am going to try to show it. But I do not necessarily blame the commission and, as we have this matter under the commis-

sion, I think we should give it at least a fair trial and not determine the results on just a few years' experience.

Mr. BARKLEY. I agree with the Senator about that, and I agree with him also that while it is true that every police officer and every law enforcement officer anywhere ought to be in favor of the enforcement of the law for the enforcement of which he was selected, still I think it is peculiarly important that men who are chosen to enforce the prohibition law ought to be in sympathy with it.

Mr. JONES. Yes; I think so.

Mr. BARKLEY. I do not deny that now and then a man, under some circumstances, who may have been at one time against the law might be converted into a very whole-hearted supporter and enforcer of it; but as a rule I think it is safer to entrust the enforcement of this particular law in the hands of its friends.

Mr. JONES. That is the very basis on which I am going to argue for civil service. It seems to me they have taken men who are opposed to prohibition.

Mr. BARKLEY. Does the Senator know whether any questions were propounded by the commission in this connection touching the attitude of the men toward the law itself?

Mr. JONES. I have been assured that that is done.

Mr. BARKLEY. It is conceivable that a very highly educated man might make a grade of 100 per cent on a technical intellectual examination. I have no doubt that Dr. Nicholas Murray Butler could pass a civil-service examination prescribed for the appointment of prohibition enforcement officers, but we all know that the good doctor is not in favor of the law and probably discourages its enforcement as much as anybody in the United States. The Civil Service Commission ought in some way to disclose whether the applicant believes the law ought to be enforced.

Mr. JONES. My recollection is now that the letter of rejection in the case to which I have referred shows that it is based upon inquiries of citizens of Seattle, for instance, and I am convinced that they have taken the preponderance of testimony of those who are against prohibition and who have pronounced themselves against this man, and therefore he was rejected. Of course, I appreciate that members of the commission can not examine personally all the papers, and that they have to take the report of some inspector; but there are on file with the Civil Service Commission statements made by practically every prominent prohibitionist and every prominent prohibition organization speaking in the very highest terms of this man and of their confidence in his faithful administration of the enforcement of the law.

Mr. BARKLEY. Is it the policy of the commission to send a posse out into the settlement or community where the man works or lives to investigate his record?

Mr. JONES. No. I understand they send an inspector who gets or is supposed to get information from citizens who know the man, in addition to the written examination, and he submits a report with reference to him.

Mr. BARKLEY. Does that apply to the man already in the service as well as the new applicants?

Mr. JONES. It applies to all those who had not gotten in under civil service. They have not passed on all the original applicants to the Civil Service Commission yet. They have had so many they have not been able to do it. It takes much time, as we all understand.

Mr. BRUCE. Mr. President, will the Senator yield to me?

Mr. JONES. I yield.

Mr. BRUCE. If the Senator will allow me, I should like to answer some of the questions the Senator from Kentucky asks. First of all, I would say that 75 per cent of all the old prohibition agents failed to stand successfully the civil-service examination. The effort to which the Senator alludes, nevertheless, to cover all the old prohibition agents into the service has passed out of the stage of rumor and is now evidenced by a bill actually pending in this body, introduced by the Senator from Iowa [Mr. BROOKHART], to keep the old prohibition agents in the service.

If the Senator will permit me further, so poor was the average grade of those who were prohibition agents that now I am informed the Civil Service Commission, taking a lesson from the past, takes the precaution of having all applicants for positions in the field force of the prohibition service fingerprinted before they are subjected to a competitive examination.

So far as the examinations to which those who were prohibition agents were subjected being of a scholastic nature, they were of a most highly practical nature. Applicants were asked, for instance—and if I am not mistaken, that was the principal feature of the examination—what they would do in such and such a state of different circumstances that might arise in the

discharge of their duty. These men failed because they had been appointed as a result of the very much greater abuses of the old spoils system of patronage, appointed at the suggestion of churches, of the Anti-Saloon League, of Wayne B. Wheeler, of Senators or Members of the House of Representatives, and of politicians of high and low degree. Now, of course, they are all to be brought under the civil service law.

If the Senator will permit me just to make one more observation, I think it will be a great mistake, notwithstanding the judgment that the Senator from Kentucky seems to have formed on the subject, to ask the applicants how they feel about the prohibition law. The very object of the merit system of appointment is to exclude political influence, political views, political opinion, political pressure in every form, from the operation of the civil service law.

Mr. BARKLEY. Does the Senator mean by that to suggest that he thinks a man's attitude toward the enforcement of the prohibition law ought not to have any weight in determining whether he is a suitable appointee for its enforcement?

Mr. BRUCE. I think there would be more danger of giving too much weight to it. Some Federal judges having charge of the administration of this law are men who in their hearts are opposed to it and do not believe in it, and yet their judicial conduct has been absolutely impeccable. I can not conceive of any man honorable in a general sense, charged with an official duty, violating it, and he would not do it unless he is some base, worthless fellow.

Mr. BARKLEY. The Senator would not, then, if he had the power, recommend the appointment of a man as prohibition agent to go out over the field and search out violations and make arrests and secure evidence if he knew that that man in his heart was opposed to the enforcement of the law?

Mr. BRUCE. If we had a good worthy man with a strong sense of duty, I do not know that I would care particularly about what might be his personal convictions with relation to prohibition or any other political question.

Mr. BARKLEY. The Senator would not assume that attitude with reference to the enforcement of any other law. The Senator would not recommend for appointment as sheriff or police officer one who was not in sympathy with enforcing the law against burglary or theft?

Mr. BRUCE. Now the Senator, of course, is getting into the province of deep-dyed criminality. He is getting entirely out of the province of political influence.

Mr. BARKLEY. I am not able to know just how far one has to get before he is deep-dyed.

Mr. BRUCE. I can conceive of a man not believing that the prohibition law is a good law and yet, being a dutiful man, he would be faithful in helping to enforce it. I can not conceive of a man in sympathy with burglary or murder or rape doing his duty in the administration of the criminal law.

Mr. BARKLEY. Is it not possible to conceive of a man who may technically believe in the enforcement of the law but frequently, as experience has already shown in various parts of the country, go about with his fingers crossed and then take the oath of office with his fingers crossed?

Mr. BRUCE. If I was in charge of the enforcement of the prohibition law and knew that some man was of violent extremes with reference to prohibition—that is to say, a man who was fanatical in relation to prohibition—of course, I do not think I would choose just that kind of a man to appoint. But those are extreme, exaggerated cases.

Mr. GLASS. Mr. President, does the Senator mean he would not appoint a man who entertains his own views?

Mr. BRUCE. I would hesitate. I think I could go on the bench to-morrow—and I hope the Senator thinks so, too—and with perfect fidelity administer the prohibition law.

Mr. GLASS. I think the Senator could. But would the Senator then insist that a man entertaining his views could not properly enforce the law?

Mr. BRUCE. All I am saying is that I do not think it is necessary for the Civil Service Commission to have a regulation requiring an inquisition into how an applicant for a competitive examination feels about prohibition before he is allowed to stand the examination. That is all I am saying; but I would have no objection to it.

Mr. GLASS. What I rose to ask the Senator, who seems to be entirely familiar with the questionaire, is whether there is among the questions anything that would elicit information as to the marksmanship of prohibition agents? I ask the question because in Staunton day before yesterday a prohibition agent shot at the tires of an escaping automobile and killed an occupant of the car.

Mr. BRUCE. I might remind the Senator that since that time another constituent of his has been shot in the neck by a prohibition agent at Newport News. The press brought us in-

formation of that fact this morning. I do not know, but it looks to me as if it might be very well to school these prohibition agents in gunfire, because not one of them ever does shoot anybody through the neck or any other portion of his body that he does not set up the claim that he shot at the automobile tire and not at the unhappy victim.

Mr. JONES. Mr. President—

Mr. GLASS. I may say, if the Senator from Washington will allow me, that I am a firm believer in an honest civil service, which I do not think we have, but it puzzles me to understand how the Civil Service Board can exactly or approximately determine the efficiency of a prohibition agent. One of the outstanding requirements and essential elements in the enforcement of the prohibition law is courage; and how on earth a board sitting here in Washington can determine whether or not a man has the essential courage to hunt down and arrest bootleggers is beyond my comprehension.

Mr. BRUCE. Mr. President, if I may interrupt the Senator for a moment, I desire to say that he knows that policemen throughout the country are selected as the result of competitive examinations, and I know of no calling in which courage is of more supreme importance than in the calling of a policeman.

Mr. GLASS. The board which selects the policemen is a community board, entirely familiar with the applicants, I imagine, and that board can vastly better determine the reputation for courage or the demonstration of courage than can a board here in Washington.

Mr. BRUCE. Courage is something that we never can tell much about until it is actually tested. It is not until a man has been exposed to danger that we can say in the old Virginia phrase, with which the Senator from Virginia is so familiar, that he has "pluck to the backbone."

Mr. JONES. Mr. President, I have a very high regard for the Senator from Maryland, but he and I differ very radically with reference to the merits of prohibition.

Mr. BRUCE. I will say that I also entertain the highest regard for the Senator from Washington.

Mr. JONES. I thank the Senator, but I have always felt and I have had the impression that while the Senator from Maryland does not believe in prohibition he does believe, inasmuch as we have it, in its proper enforcement. So I thought that he had misunderstood one of the questions of the Senator from Kentucky [Mr. BARKLEY] in that he seemed not to be in favor of determining whether a man who did not believe in prohibition also was against enforcement. I want to say that, while I prefer to have men as enforcement officers who believe honestly in the principle of prohibition, there are many men in this country who would make competent prohibition agents who may not believe in prohibition but who do believe in the enforcement of the prohibition law so long as it is the law, and many of them could be depended upon, probably just as well as could those who believe in prohibition, to enforce the law honestly and faithfully if selected as prohibition enforcement officers.

Mr. President, I wish to take only a minute or two in discussing the amendment. Most of the discussion has really been outside of the amendment. As I have stated, the committee reported the amendment, and I voted for its report to the Senate, but the committee directed that a report on it should be secured from the Secretary of the Treasury. I noted in the press that Assistant Secretary of the Treasury Lowman and Commissioner Doran were together in conference over this matter. Whatever question there may be with reference to the sincerity or earnestness of the Secretary of the Treasury as to prohibition, I have never heard the sincerity and devotion to prohibition of Assistant Secretary Lowman and Commissioner Doran questioned. So, without going into the other phase of it, I think we have a right to conclude that this letter and the suggestions made in it as to the condition that confronts us have the approval of two ardent prohibition officials—Assistant Secretary Lowman and Commissioner Doran. In brief, they suggest in this letter that they can not advantageously spend this money under present conditions; the Secretary of the Treasury sent the letter here, and I judge he concurs in their views.

It is suggested that a survey should be made to determine the need of more money, and how it may best be used. I am willing to take the judgment expressed by these officials in the letter. I think this element of good, at any rate, has come out of the report of this amendment to the Senate and out of the discussion, that it will hurry up the department to make the survey, ascertain what further steps may properly be taken in the enforcement of the prohibition law, how much more money is necessary, and how much can be used advantageously. Those in brief are the suggestions in the letter. I am going to take them at their face value, especially because of the known views of the Prohibition Commissioner and of the Assistant Secretary of the Treasury.

Mr. OVERMAN. Mr. President, will the Senator allow me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from North Carolina?

Mr. JONES. I yield to the Senator.

Mr. OVERMAN. I was called out when the discussion was proceeding with regard to the civil-service method of appointment of prohibition officers. I wish to ask the Senator if he thinks it is possible under the present system to administer the prohibition law in a nonpartisan manner? Let me take, for example, my county. When it is desired to appoint a prohibition agent for that county a civil-service examination is held and three men are certified, two of whom, perhaps, are Democrats and one a Republican. What is done then? The list is sent to the chairman of the Republican committee of the State or the county, as the case may be, and he is asked which one of the three is the Republican; and after hearing from him the Republican is appointed. Is not that the rule in connection with these, as well as other appointments?

Mr. JONES. I never had any list of those who have passed the examination for prohibition appointments certified to me.

Mr. OVERMAN. Where three men are certified as the result of an examination, the list is referred to the chairman of the committee, as I have said, and he always selects a Republican.

Mr. JONES. That is so with reference to postmasters, I know, but I say to the Senator I have never had any certification in connection with prohibition appointments made to me.

Mr. OVERMAN. The list would not be certified to the Senator, but when it becomes necessary to fill a vacancy or to add to the number of agents, the Civil Service Commission is called upon to certify three names. That is the rule, as I understand.

Mr. JONES. Certify them to whom?

Mr. OVERMAN. To the department; but before the department makes the appointment it confers with the chairman of the Republican committee, which informs the department which one of the three to appoint.

Mr. JONES. I do not think the department would confer with the chairman of the Republican committee where there are Republican Senators and Republican Representatives.

Mr. OVERMAN. Then, can the Senator tell me why every prohibition agent in my State is a Republican?

Mr. JONES. I can not. I have discussed the question pretty fully, and I have said that I do not believe there should be politics in connection with this matter.

Mr. OVERMAN. I know the Senator does not, but I should like to know why the Prohibition Bureau can not be administered in a nonpartisan manner? As it is now, I repeat, the chairman of the Republican county or State committee is called upon to pass upon appointments of prohibition agents, and they appoint a Republican every time, although there may be two Democrats and only one Republican on the list.

Mr. JONES. I think it should not be done.

Mr. OVERMAN. But do they not do it, and is it not human nature to do it? At any rate, Republicans always seem to be appointed.

Mr. JONES. As I have said to the Senator, I receive some certifications in connection with the appointment of postmasters, and so on, but I never yet had any certification in connection with the appointment of a prohibition agent made to me for my selection of one of three.

Mr. OVERMAN. I do not think they ever do that; I do not think they ever ask a Senator or a Representative in Congress to pass upon the question, but they refer the list to the chairman of the Republican State or county committee. I am not complaining of it particularly and probably I might do the same thing.

Mr. JONES. The Senator may have in mind a case where there are no Republican Senators or Representatives. Let me cite this illustration; it may help to clear up the situation: There is a district in my State that is represented by a Democrat in the House of Representatives. The appointment of postmasters in that district is always referred to me. The three names are certified to me, and I am asked to recommend one.

Mr. OVERMAN. Why should such a course be followed in the appointment of prohibition agents? They want to build up a machine in this country, and so the practice to which I have referred is followed all the time.

Mr. JONES. I have not, as I have said, any certifications made to me with reference to prohibition appointments.

Mr. OVERMAN. The Senator ought to look into that question, because the appointments ought to be made in a nonpartisan way.

Mr. EDGE. Mr. President, let me suggest to the Senator from North Carolina that, from some very slight experience of my own, I consider the appointment of prohibition officers as a liability rather than a benefit from a political standpoint.

Mr. OVERMAN. I do not feel that to be the case in my State.

Mr. JONES. Mr. President, I think other appointments might also be considered as liabilities.

Now, Mr. President, I wish to conclude. I am always glad to yield as much as possible, but I have taken far more time than I expected. I have called attention to the fact that the Secretary of the Treasury conferred with Assistant Secretary Lowman, who has direct charge of prohibition enforcement, and also with Commissioner Doran, who is at the head of the Prohibition Unit, and they evidently agreed upon the suggestions contained in this letter. We should not appropriate more money than can be used economically and efficiently. I think in view of this letter that we are fully justified in the conclusion that at least they would not know how to use \$25,000,000 now, and that it probably could not be expended economically.

I started to say that I think one good thing has come out of reporting this amendment and the consideration of the amount involved in it, and that is that it will certainly spur the department to make the survey which they say in this letter ought to be made. I hope to see a program presented next winter under which they can use an increased amount of money in order to bring about a more effective enforcement of the prohibition law. For that reason I am not going to vote for the amendment providing for a \$25,000,000 additional appropriation, and for that reason I have submitted the amendment which I have. Now, I wish to discuss that amendment for just a moment.

Mr. EDGE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from New Jersey?

Mr. JONES. Yes.

Mr. EDGE. The Senator speaks of a survey upon the part of the department, as I understand, so as to provide for the expenditure of the additional appropriation in the future. Does the Senator consider his amendment would cover that? It does not in any way indicate any portion of it to be used for a departmental survey.

Mr. JONES. Not for that, but it is suggested in this letter that a small amount additional for enforcement could probably be economically used now; and so I put in a million dollars, to be used specifically for enforcement purposes. Then it is suggested in this letter that what they term "educational work" should be carried on and that some money possibly should be appropriated for that purpose, and so I put in \$250,000 for that. I called on Commissioner Doran to submit a statement as to what would be done under that appropriation, and I am going to read his reply. It is brief and was prepared, of course, by the commissioner himself. He says:

In connection with the proposed educational campaign relative to questions concerning the enforcement of the prohibition laws, the following is a brief outline of the proposed undertakings in connection with the dissemination of information and increased activities:

The use of a selected force to cooperate with officials of cities, counties, and States in stimulating their activities in order that a greater number of violations may be prosecuted in local courts in States having adequate laws relating to the illegal use of intoxicating liquors.

I think that is quite an important activity. I know that in my State I have encouraged the prohibition officials to bring about cooperation with the county officials and the city officials as fully as possible; and while they have not the cooperation of all the sheriffs in the State they have, I think, the cooperation of the majority of the sheriffs, and they have been holding annual meetings to confer with reference to these matters. The same thing is true with reference to city officials; so that they are gradually working out a general cooperation of State, county, and city officials with the national or Federal prohibition force.

This force also to instruct various organizations interested in law enforcement as to how they can serve and operate in connection with local and Federal authorities.

The release of information to newspapers and periodicals, and the use of radio and billboards and posters in informing the public as to enforcement conditions and other essential facts for the purpose of interesting the general public in obedience to and enforcement of the laws.

Prohibition agents, to a limited extent, now operate in conjunction with local authorities, but the field force should be increased in order that all requests from local authorities for Federal agents to assist them in prohibition enforcement may be met.

Some Senators expressed themselves privately to me yesterday to the effect that this was a rather ridiculous proposition,

and that we ought not to start on what might be termed propaganda, and that it is apt to lead into a wide field; and yet we are already doing this. I see, in every section of the country where I go, large billboards with reference to what? Setting out the advantages of enlisting in the Army or enlisting in the Navy. That is propaganda, and yet nobody raises any question about it. That has been going on for many years. I have also seen publications with reference to the activities of various departments or bureaus of the Government, in effect doing the same thing. My recollection is that I have seen publications relating to forestry, especially; and that sort of thing is extremely valuable. It gives information that the people ought to have, and might be supposed to have. I think the Bureau of Education has sent out various publications and documents of different kinds, calling attention to the benefits of this procedure and that practice, and so on. There never has been any question raised about that; and it seems to me that some action and activity along these lines may be very valuable.

The other part of the amendment—I referred to it a moment ago—calls for an additional million dollars to add specifically to the enforcement force. That is pursuant to the suggestion contained in the Secretary's letter.

Mr. President, I have taken far more time than I expected to take.

Mr. GEORGE. Mr. President, before the Senator takes his seat I should like to ask him a question. Does the Secretary suggest the appropriation of a million dollars in the letter?

Mr. JONES. No; he did not specify any amount. My recollection of the language is that he said that some additional money could be used economically and advantageously.

Mr. GEORGE. It was the Senator's conclusion that about a million dollars was needed?

Mr. JONES. Well, I will say that that is a guess.

Mr. SMOOT. Mr. President, I rise simply for the purpose of making a correction.

Yesterday morning I telephoned down to the department and asked about how many cases of arrests under the prohibition act were pending, unsettled. They said, "We do not know the exact number, but there are at least nine or ten thousand cases." This morning I received a report from Mr. Doran stating that there are between twenty and twenty-one thousand cases pending in the courts.

Mr. GLASS. Mr. President, in committee I voted to present this amendment to the deficiency bill involving an increased appropriation of \$25,000,000. I did it because when criticism is made to the effect that the law is not enforced, the response invariably is that it is enforced as effectively as the meager appropriations of Congress will permit. In short, with respect to this law, as with respect to other laws, it is sought to produce the popular impression that Congress in some way or somehow is persistently neglecting its duty with respect to enforcement.

So far as my observation goes, the Appropriations Committee of this body has never failed to report to the fullest extent appropriations recommended by the department for the enforcement of prohibition; and I am certain that I have never failed to vote to the fullest extent for appropriations recommended. Therefore I voted for this appropriation, but with the understanding that the chairman of the committee was to seek information from the Treasury Department as to its expediency.

The letter of the Secretary of the Treasury, in which he tells us that this appropriation can not be judiciously expended, that it can not be expended at all without the risk of great extravagance, puts a different aspect upon the case. While I may get my consent to vote for the amendment of the Senator from Georgia [Mr. HARRIS] to the amendment suggested by the Senator from Washington [Mr. JONES], it is my expectation to offer as a substitute for the whole the amendment that I sent to the Secretary's desk a while ago, which provides for the appropriation of \$250,000, or so much thereof as may be required, to enable the incoming President of the United States to put into effect his own proposition to appoint a competent commission to review this whole problem of prohibition under the eighteenth amendment and under the laws enacted in pursuance thereof, and to report the result of such inquiry to the Congress of the United States with his recommendation with respect thereto.

Mr. EDGE. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from New Jersey?

Mr. GLASS. Yes.

Mr. EDGE. I did not hear the beginning of the Senator's statement. Did I understand him to say that the substitute he has offered, which was read at the desk, provides for the appropriation in this bill of \$250,000 to be available for the

use of the incoming President, or so much of that sum as may be necessary?

Mr. GLASS. I imagine that it would be used by the incoming President. I do not conceive that the present occupant of the White House, in the limited time he has to serve, would enter upon an inquiry of this sort.

Mr. EDGE. I agree entirely with the Senator. I am simply asking as a matter of procedure. The appropriation, then, would not expire before what time—June 30, 1930? How long would the appropriation be available? That is the information I was seeking.

Mr. GLASS. My purpose is to make it available as long as it can be used.

Mr. EDGE. Then I am in entire agreement with the Senator. I am simply asking for information.

Mr. GLASS. I want to put upon the incoming President of the United States the responsibility for the enforcement of this law as it exists or the responsibility of recommending suitable changes in the law if changes are required; and then there will be upon the Congress of the United States responsibility for accepting or rejecting the President's recommendations. I have every reason to suppose that the incoming President of the United States not only is willing to assume that responsibility but is anxious to do it, because he has suggested that that be done.

Mr. EDGE. Mr. President, if I may again interrupt the Senator, I also am in hearty agreement with his suggestion in that regard and that recommendations shall result, based upon the facts and causes so discovered.

Mr. GLASS. And in all sincerity I thoroughly believe that the incoming President will have the courage to make those recommendations, based upon a scientific ascertainment.

Mr. EDGE. Is it not a happy moment when the Senator from Virginia and the Senator from New Jersey can proceed to a solution of this problem through the same channel?

Mr. GLASS. I think it ought to be done. I think the President ought to be charged with responsibility and held accountable for the enforcement of this law.

Mr. ROBINSON of Arkansas. Mr. President, does the Senator's amendment define the extent or direction of the investigation or does it leave to the Executive full authority to make any investigation that he desires without limitation?

Mr. GLASS. It puts no limitation whatsoever upon the President. It charges him with the full responsibility of making a thorough inquiry into this problem and making his recommendations to the Congress.

Mr. ROBINSON of Arkansas. It would seem that \$250,000 would be a rather large fund for the support of an investigation.

Mr. GLASS. The amendment says "or so much thereof as may be required."

Mr. BLACK. Mr. President, the history of this amendment in this Congress is a rather unusual one.

A short time ago an amendment was proposed, and agreed upon, as I understand, without any opposing vote, to appropriate \$300,000,000 for the enforcement of prohibition. The Members on both sides of the Chamber accepted that amendment. It then went to conference. The conferees reduced it to \$25,000,000. Strange to say, many of the same gentlemen who voted for the \$300,000,000 are now opposed to the appropriation of \$25,000,000. What potent influence has been wielded by the Secretary of the Treasury one can only surmise.

Strange also to say, men who have been the champions of the enforcement of the prohibition law, and who voted only a short time ago either for \$300,000,000 or for \$25,000,000, have yielded their convictions merely because the Secretary of the Treasury says he might spend the money extravagantly, or, as the Senator from Washington quotes him, that they do not know how to spend it.

There is another strange incident connected with this procedure, and that is this:

A few months ago there was an election in this country, and a decisive victory was won. All people know that millions of citizens of the United States voted for the incoming President at least partially because they expected him and his administration to utilize every opportunity within their power to enforce this law; and yet, strange and unusual as it may seem, leaders of the prohibition forces on the other side of the Chamber are not willing to accept the \$25,000,000 appropriation, and they reduce it to the infinitesimal sum, in comparison with that for which they have previously voted, of \$1,000,000 for enforcement and \$250,000 to convert bootleggers by distributing propaganda over the country.

Just exactly what methods will be used in this distribution we do not know. Probably the literature will be placed in an airship, and as that airship soars in the skies over the various

sections of America, the literature prepared by this Secretary of the Treasury upon the evils of strong drink will be wafted on the breezes, to be received by the listening ears of the American public.

If that is not sufficient, we are to have a survey. Imagine, if you please, a man having been sheriff of a county for eight years and running for reelection to office upon the statement that if he succeeds in winning again the position of sheriff of his county he will make a survey to ascertain whether or not the laws are being broken in his county; and, if so, how he will enforce them. Yet Senators who voted for a \$300,000,000 appropriation, Senators who are backing, we assume, the President elect in the statement he has made that he will enforce the laws of this country, recede from their position and say now, "We will vote \$250,000 for a survey."

What will they survey? Will they go into the States where the State laws have been repealed in order to ascertain whether or not they are in effect? Will they go into the State where the laws are enforced in order to ascertain whether or not they are enforced? What is this survey for? Why is it needed? Why, when men have been in charge of the enforcement of a section of the Constitution of this country for eight years, is it necessary for them to tell the public in America that they can not say whether they need any more money or not? They do not know whether they can enforce the law or not. They do not know how many officers are needed. They can not say where they would be used. They do not know whether or not the law is being broken. They know nothing except that they know nothing and desire to make a survey in order to confirm the fact that they know nothing. That is the position with reference to the survey.

There have been several propositions advanced. It was certainly a great surprise to many people to learn that on the side of the Chamber occupied by those who in large majority contributed to the election of the incoming President, there are those who are not willing to arm him when he goes into office and to give to him the money that is needed in order that the laws of this country may be enforced.

There have been several arguments advanced to which I desire to direct just a little attention. In the first place, the highly esteemed and respected Senator from Nebraska [Mr. NORRIS] presented the argument, as I understood him, that political appointments are made and the law is enforced in a partisan manner, I assume leaving the inference that for that reason it was not proper at this time to vote an additional appropriation.

I agree with most of the statements made by the Senator from Nebraska, but if we are to wait to make sufficient appropriations until partisan politics cease to play an important part in the employment of officers in the enforcement of law, then I feel the increase would never be made. What reason have we to suspect that at any time in the future appointments will not be made from partisan considerations? Why can we anticipate that at any time within the next fiscal year the enforcement of law will not be in the hands chiefly of the dominant party that is governing in this Republic? The history of the Government shows that it is practically impossible, unfortunate as it is, to escape from the conclusion that the enforcement of this law and the appointment of the officers to enforce it will be influenced by partisan politics.

Another argument has been advanced by the Senator from Utah; that is, that we should first increase the courts. What difference does it make where we begin to enforce a law written in the Constitution of this country? What right have we to demand that the enforcement be improved in any certain or particular manner?

There are certain States of this Union that have courts that can try the cases. There is not reason to suspect that more than two or three or four States of this Union have congested court dockets so that the courts can not dispose of the business before them. Therefore the proposition that presents itself to this body, with a new administration coming into power pledged to the enforcement of the law, is: Will you give them the funds that are needed in order that the American people may hold them responsible if they fail to avail themselves of the opportunity afforded by this Congress? Or will we, perchance, because of the edict of a single officer of this Government, forego our right to our own conclusion and permit the Secretary of the Treasury to determine for us what is a sufficient amount in order to enforce the laws of this country?

My friends, I desire to call attention to the situation in one State with reference to the law-enforcement officers of the State and of the Government. In the great State of New York, which has no prohibition laws upon its statute books, we find that there are 32,089 officers charged with the duty of enforcing the laws of the State, and 516 charged with the duty of

enforcing the laws of the Government of the United States. That includes district judges, marshals, deputy marshals, district attorneys, and all officers charged with the enforcement of the law. Yet that State has no prohibition law. There are, for the millions of people who live in that great Commonwealth of this country, 281 field agents. Imagine a situation where 281 field agents have to cope with the enforcement of a law in a State where the majority of the people have expressed themselves by ballot against the law, and where the officials of the State have destroyed the statute which was upon the books to aid the Government in the enforcement of the law. What could we hope, what could we expect, with reference to the enforcement of the law in States with millions and millions of population, and with 281 officers charged with the duty of detecting crime and punishing it?

This is the situation; the amount of twelve or thirteen million dollars appropriated heretofore for the enforcement of the prohibition laws of this country is a disgrace and a shame to the Government. What can we do when we divide up \$12,000,000 among 48 States to enforce a law which many in the Senate say is being daily and repeatedly violated all over those States? A quarter of a million dollars to enforce a law of that kind in a State with eight or ten million population is not even a drop in the bucket.

The conclusion which must be reached is that there are some who oppose the prohibition law as honestly as others favor it, and there are some who favor it with all their hearts, but there should be no line of demarcation between these two classes when it comes to a question of the enforcement of any statute.

I was criticized yesterday for making the statement that the Constitution of the United States imposes upon Senators the responsibility of voting for adequate appropriations to enforce the prohibition law. If not, why not? That law is written into the Constitution of this country. There is one honest and legitimate way to get it out; that is by the constitutional method. There can be no repeal of that amendment by acquiescence on the part of the people of this country without attacking the very sovereignty of the people and the fundamental principles of liberty and freedom under which we live. Yet there are some who will not vote for adequate appropriations in States, although the Constitution charges the States with the joint responsibility of the enforcement of the law. There are others who are willing to continue to appropriate a measly \$12,000,000 to enforce a law all over the States of this Union.

The charge has been made here in the last day or two that the prohibition law is grossly violated. Many years ago the present great Chief Justice of this country said that the enforcement of the criminal laws of America was a disgrace to the civilized world. The lawlessness in this country is not limited to the violation of the prohibition law. One city in this country, with a comparatively small population, has committed in it more murders in one year than are committed in the whole domain of England. Yet do we hear any hue and cry that we should repeal the law against murder? The same startling proportion exists as to the law against stealing, and as to the law against burglary, and as to the law against other crimes.

We have now come to the situation, practically, where we must vote upon whether or not we favor a proper appropriation to enforce the law. Will we arm the officers of the Government so that they can enforce the law? Or will we leave their arms paralyzed, perchance, because some of them may prefer to be paralyzed?

We should not permit the dictum of one officer to govern our conclusions in connection with this vote. In the name of law, in the name of decency, in the name of order, forgetting the differences which exist as to the need of this law, I appeal to the Senate not to permit the conclusion of one man to override the simple justice which this amendment is intended to bring about in America.

I appeal to Senators, as they believe in the safety of our Government, and in the safety of the home, not to permit this law to be flagrantly violated in the future, with the charge being thrust in our faces that it is due to the fact that Congress would not make proper appropriations.

We make appropriations for bridges, we make appropriations for roads, we make appropriations for dams, we make appropriations for rivers. The improvements thus brought about add to the comfort and convenience of the citizens of this country. But the law which protects us when we are awake and when we are asleep is based upon the fundamental right to human liberty, and that law is challenged in this country, and the answer can be made both from this body and from the throats of millions of citizens in this country. "Will you vote to enforce the law, or do you believe it proper to continue an appropriation

which you know, which every citizen of this country knows, is a mere measly pittance in comparison with that which is needed to make this country safe for the law-abiding citizens of this Republic?"

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had concurred in the concurrent resolution (S. Con. Res. 28) relating to the election of President and Vice President of the United States.

The message also announced that the House had agreed to the amendment of the Senate to each of the followings bills:

H. R. 1320. An act for the relief of James W. Pringle; and
H. R. 4920. An act authorizing the Secretary of War to award a Nicaraguan campaign badge to Capt. James P. Williams in recognition of his services to the United States in the Nicaraguan campaign of 1912 and 1913.

The message further announced that the House disagreed to the amendment of the Senate to the bill (H. R. 9961) to equalize the rank of officers in positions of great responsibility in the Army and Navy, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORIN, Mr. JAMES, and Mr. McSWAIN were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

The VICE PRESIDENT. The hour of 3 o'clock having arrived, the Senate, under the order previously agreed to, will proceed to the consideration of executive business. The Sergeant at Arms will clear the galleries and close the doors.

Mr. NYE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his inquiry.

Mr. NYE. Is a motion in order at this time that the Senate proceed to the consideration of executive business in open session?

The VICE PRESIDENT. Such a motion will be in order when the Senate is in executive session behind closed doors.

Mr. NYE. Not until then?

The VICE PRESIDENT. Not until then.

The Senate proceeded to the consideration of executive business. After 2 hours and 30 minutes spent in executive session the Senate, in closed session (at 5 o'clock and 30 minutes p. m.), took a recess until to-morrow, Saturday, January 19, 1929, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 18 (legislative day of January 17), 1929

MEMBER OF FEDERAL TRADE COMMISSION

Charles H. March, of Minnesota, to be a member of the Federal Trade Commission for a term of seven years from September 26, 1928, vice Abram F. Myers, resigned.

APPOINTMENT IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

Brig. Gen. William Shaffer Key, Oklahoma National Guard, to be brigadier general, reserve, from January 15, 1929.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 18 (legislative day of January 17), 1929

COMMISSIONER OF EDUCATION

William John Cooper to be Commissioner of Education.

PROMOTIONS IN THE NAVY

Charles E. Riggs to be Surgeon General and Chief, Bureau of Medicine and Surgery.

To be commander

William N. Richardson, jr.

To be lieutenant commanders

Elliott M. Senn.

Vernon F. Grant.

Francis T. Spellman.

To be lieutenants

Cecil Faine.

Hubbard F. Goodwin.

To be lieutenants (junior grade)

Gerald B. Ogle.

John R. Sanford, jr.

Walter B. Davidson.

Roy R. Ransom.

Arthur D. J. Farrell.

Benjamin May, 2d.

Alfred J. Benz.

To be assistant dental surgeons

Merrette M. Maxwell.

Jackson F. Henningsen.

To be chief pay clerk

Walter W. Metcalf.

MARINE CORPS

To be colonel

Edward A. Greene.

To be lieutenant colonels

Franklin B. Garrett.

Samuel W. Bogan.

To be major

DeWitt Peck.

To be captain

Merton A. Richal.

POSTMASTERS

CONNECTICUT

Walter H. De Forest, Derby.

John F. Egan, Lakeville.

Anna T. Harding, Rockyhill.

Frank H. Northrop, Saugatuck.

Erle Rogers, Windsor.

HAWAII

Thomas E. Longstreth, Lihue.

KANSAS

August Bernasky, Ingalls.

Ulysses E. Van Dyke, Woodston.

MAINE

Edna McGuire, Lucerne in Maine.

MARYLAND

Grace Rowe, Emmitsburg.

George C. Elchelberger, Union Bridge.

William B. Cutshall, Woodsboro.

MONTANA

Albert M. Stevenson, Lodge Grass.

Andrew K. Resner, Ronan.

NEBRASKA

Henry C. Blome, Dalton.

Willis I. Stebbins, Gothenburg.

Charles H. Kuhns, Maxwell.

John A. Gibson, Mullen.

NEW JERSEY

Hilding W. Hammarlund, Ridgefield Park.

NEW YORK

James McD. Reid, Amsterdam.

John Sparks, Eldred.

Harry C. Rosekrans, Gardiner.

David W. Smith, Genoa.

Catherine Jamieson, New York Mills.

James Carpenter, Northville.

Belle M. Clark, Silver Springs.

Emma Frey, Vestal.

OKLAHOMA

Jennie L. Timberlake, Terral.

PENNSYLVANIA

Beatrice Davidson, Grindstone.

VERMONT

William A. Heywood, Wilder.

WISCONSIN

Bert Piepenburg, Mountain.

Sherman T. Barnard, Omro.

HOUSE OF REPRESENTATIVES

FRIDAY, January 18, 1929

The House met at 12 o'clock noon.

The Chaplain, Rev. James S. Montgomery, D. D., offered the following prayer:

Almighty God, whose love has consummation in sacrifice and service, quicken us by Thy Holy Spirit that we may conquer the sense of frailty of this passing world. Oh, come out of Thy infinite depths and find a sure dwelling place in our hearts; define Thyself in terms of life—human life, humble life, that ever stoops to conquer. To-day is another providence. Every success launches us upon a new pursuit, and every failure bids us get up and begin again. We must attain; though

we fall, we shall not be utterly cast down, for our Heavenly Father upon earth is our strength and the rock of our salvation. May we align ourselves with Thy holy purpose; thus shall we attain the measure of the stature of our manhood. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

COUNT OF THE ELECTORAL VOTES

Mr. TILSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table concurrent resolution S. Con. Res. 28 and pass the same.

The Clerk read the concurrent resolution, as follows:

Concurrent resolution

Resolved by the Senate (the House of Representatives concurring), That the two Houses of Congress shall assemble in the Hall of the House of Representatives on Wednesday, the 13th day of February, 1929, at 1 o'clock p. m., pursuant to the requirements of the Constitution and laws relating to the election of President and Vice President of the United States, and the President of the Senate shall be their presiding officer; that two tellers shall be previously appointed by the President of the Senate on the part of the Senate and two by the Speaker on the part of the House of Representatives, to whom shall be handed as they are opened by the President of the Senate all the certificates and papers purporting to be certificates of the electoral votes, which certificates and papers shall be opened, presented, and acted upon in the alphabetical order of the States, beginning with the letter A; and said tellers, having then read the same in the presence and hearing of the two Houses, shall make a list of the votes as they shall appear from the said certificates; and the votes having been ascertained and counted in manner and according to the rules by law provided, the result of the same shall be delivered to the President of the Senate, who shall thereupon announce the state of the vote, which announcement shall be deemed a sufficient declaration of the persons, if any, elected President and Vice President of the United States, and, together with a list of the votes, be entered on the Journals of the two Houses.

The SPEAKER. The gentleman from Connecticut asks unanimous consent for the present consideration of the resolution. Is there objection?

There was no objection.

The resolution was agreed to.

RECESS ON CALENDAR WEDNESDAY

Mr. TILSON. Mr. Speaker, I send to the Clerk's desk another resolution and ask for its immediate consideration.

The SPEAKER. The gentleman from Connecticut asks unanimous consent for the present consideration of a resolution which the Clerk will report.

The Clerk read as follows:

House Resolution 294

Resolved, That on Wednesday, February 13, 1929, it shall be in order to move that the House take a recess, subject to the call of the Speaker, for the purpose of counting the electoral vote, notwithstanding the provisions of clause 7 of Rule XXIV.

Mr. TILSON. Mr. Speaker, just a word as to the resolution. Members will recall that the Calendar Wednesday rule provides against taking a recess. This simply allows a recess on Wednesday, February 13, for the purpose of counting the electoral vote.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The resolution was agreed to.

EQUALIZATION OF RANK IN THE ARMY AND NAVY

Mr. MORIN. Mr. Speaker, I am directed by the Committee on Military Affairs to ask unanimous consent to take from the Speaker's table the following bills, which I shall call up. I first ask unanimous consent to take from the Speaker's table the bill (H. R. 9961) to equalize the rank of officers in positions of great responsibility in the Army and Navy, with Senate amendments, disagree to the Senate amendments and ask for a conference.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MORIN, JAMES, and McSWAIN.

CAPT. JAMES P. WILLIAMS

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 4920) authorizing the Secretary of War to award a Nicaraguan campaign badge to Capt. James P. Williams in recognition of his services to the United States in the Nicaraguan campaign of 1912 and 1913,

with a Senate amendment, and agree to the Senate amendment. The Clerk read the Senate amendment.

Mr. SNELL. Will the gentleman from Pennsylvania tell us just what this means?

Mr. MORIN. It appears now that this man is in the Army, but at the time the service was rendered he was in the marines.

Mr. HOWARD of Nebraska. Mr. Speaker, I desire to ask a question for information. I notice the gentleman employs the word "campaign" with reference to the Nicaraguan operations of our troops. Quite generally it has been understood, I think, that "campaign" refers to military activities in time of war.

Mr. SNELL. And election campaign.

Mr. MORIN. The gentleman from Texas [Mr. GARRETT] drew the bill and presented it. I do not know what he had in his mind. He can probably give the information.

Mr. HOWARD of Nebraska. I do not care who drew the bill. I did not know we were at war with Nicaragua and I do not like to have that term there.

Mr. MORIN. I think it was some time previous to the latest activities in Nicaragua that this man served there.

Mr. HOWARD of Nebraska. If that is so, we may have had some war down there at some other time, but not now; and I have no further objection.

Mr. GARRETT of Tennessee. I did not catch the explanation of the amendment made by the gentleman.

Mr. MORIN. The man who is affected is now in the Army and when Mr. GARRETT of Texas drew the bill he thought this service was rendered while he was in the Army; but he had previously been in the marines, which is under the Navy.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to.

JAMES W. PRINGLE

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1320) for the relief of James W. Pringle, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the Senate amendment.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to concur in the Senate amendment. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, I am assuming, with respect to all these bills which the gentleman calls up, that there has been a conference with the minority Members.

Mr. MORIN. I so stated in making my request.

Mr. GARRETT of Tennessee. I understood the gentleman to state that in the beginning, but there were some Members about me who did not hear the gentleman's statement.

Mr. MORIN. I have consulted with all the Members.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to.

MORRIS FOX CHERRY

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12538) for the benefit of Morris Fox Cherry, with a Senate amendment, agree to the Senate amendment, and pass the bill.

The Clerk read the Senate amendment.

Mr. LA GUARDIA. Mr. Speaker, reserving the right to object, are these bills that have passed the House or bills that were objected to on the Private Calendar?

Mr. MORIN. The bills have passed the House.

Mr. LA GUARDIA. And are coming back with an amendment?

Mr. MORIN. They amended the bill by putting in the language that is usually put in these bills.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was agreed to.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WASON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16301, independent offices appropriation bill. And pending that, I would like to see if we can not agree upon time for closing general debate.

Mr. CULLEN. I understood the chairman of the committee to suggest three hours, when debate shall close. That would be perfectly satisfactory to me.

Mr. WASON. Then, Mr. Speaker, I ask unanimous consent that general debate be continued not to exceed three hours, to be

equally divided between the gentleman from New York [Mr. CULLEN] and myself.

The SPEAKER. The gentleman from New Hampshire moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 16301, and pending that asks unanimous consent that general debate be limited to three hours, one-half to be controlled by himself and one-half by the gentleman from New York [Mr. CULLEN]. Is there objection?

There was no objection.

The motion of Mr. WASON was then agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. DOWELL in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of a bill of which the Clerk will report the title.

The Clerk read as follows:

A bill (H. R. 16301) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1930, and for other purposes.

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Chairman and gentlemen of the committee, ordinarily I am glad to yield for questions and interruptions, but I am particularly desirous to-day of proceeding without interruption, so that I may be able to make a continuous statement. I will ask Members therefore not to ask me to yield in the presentation of this matter.

THE BILL TO PREVENT FRAUD IN CONNECTION WITH BUSINESS BEFORE THE UNITED STATES PATENT OFFICE

Many Members of the House and Senate have asked me for information about H. R. 5527, introduced by me, a bill to prevent fraud, deception, or improper practice in connection with business before the United States Patent Office. The inquiries result from unfair, misleading, and very selfish propaganda recently spread through the country by one A. J. Wedderburn, formerly registered to practice before the Patent Office. The propaganda, copies of which have come to my hands, is sent out by Wedderburn, whether as coming from the Patent News, of which he is the publisher, or the League of American Inventors, of which he is the whole works. Many good people have been misled and caused concern by this propaganda, and I am glad to give the facts to the House for the benefit of all persons interested.

My concern in this legislation arose from an appealing case in my district, where a poor old man, who thought he had a worthy invention, was victimized by another alleged altruistic organization to help inventors. He paid them fifteen hundred dollars without even getting a patent. I found then that the Patent Office could not reach the real principals in the fraud, because those who solicited the business and who received the money were not registered to practice before the Patent Office and did not so practice. The bill H. R. 5527 was then drawn by the Patent Office and the Department of Justice.

The Patent Office maintains a register of attorneys entitled to practice before the office. There are about 9,000 or 10,000 persons who are thus registered. To obtain registration an attorney must show he is possessed of good moral character and has had sufficient experience in patent matters as to be able to render intelligent aid to inventors in obtaining patents for their inventions. This register of attorneys is established and maintained by authority of section 487 of the Revised Statutes. Under this section the Commissioner of Patents may, after suitable investigation and an opportunity for a hearing, disbar from further practice before the office any attorney, person, or agent shown to be guilty of gross misconduct, but such order of disbarment, as well as a refusal to register anyone as attorney, is subject to appeal to the Supreme Court of the District of Columbia.

This authority would seem to be sufficient to prevent corrupt practices and fraud by attorneys or agents, and for years such statutory authority was fairly sufficient, but there has of recent years been discovered by unregistered attorneys ways to get around the law and escape the control by the Patent Office of their activities. One of the most successful ways is to file the applications and prosecute them in the names of the inventors, the agent's name not appearing in the record.

The business between an inventor and his agent being almost always conducted by correspondence, the inventor is unaware that the attorney is not registered and can not appear before the officials of the office, as registered attorneys do, to present the inventors' claims and interests. The office letters are, in such cases, sent to the inventor's address, who has been in-

structed to forward them to the attorney. In this manner a good deal of fraud has been practiced on inventors who are ignorant of all these matters and no way has been provided for reaching and controlling these fraudulent activities. A number of so-called patent attorneys in various parts of the country (including the Patent News), who are not registered to practice before the Patent Office, follow this plan of filing applications and amending them as if the inventor was doing the work himself and had no attorney or agent.

The records of the Patent Office show, in the letters from dis-appointed inventors, that much crooked work has been carried on by unregistered attorneys.

The bill H. R. 5527 is intended to correct this evil and would prevent all unregistered attorneys, including the Patent News, from filing and prosecuting applications in the Patent Office in the manner they have in the past.

The Patent News is published, as I have said, by A. J. Wedderburn. He formerly was a registered attorney before the Patent Office. A number of years ago under Commissioner Newton a serious controversy arose between him and the Patent Office authorities. It was charged by Commissioner Newton that Wedderburn was using unfair and misleading advertising methods in his advertising in the Patent News, and he demanded that such advertising methods be discontinued. Rather than conform to the requirements of the Patent Office, and rather than face the possibility of being disbarred, Mr. Wedderburn withdrew his registration and hence is not now entitled to practice in the Patent Office. His attitude toward my bill, H. R. 5527, is, therefore, a very personal one. In his propaganda to the country, he professes great concern about the legal profession which he himself does not at all adorn and toward other professions and people for whom he has no real concern. His purpose is only to get them to pull the chestnuts out of the fire for himself. The same misleading and irresponsible methods that characterize his propaganda to entice inventors to his net through the Patent News characterize his propaganda to mislead the lawyers, the engineers, and the general public with reference to the provisions and the purposes of my bill, H. R. 5527.

H. R. 5527 is for the sole purpose of preventing either an unregistered individual or a corporation from holding himself or itself out as a patent attorney. This is the only purpose of the bill.

The bill will not affect any person no matter what his vocation—draftsman, engineer, publisher, or otherwise—from pursuing his vocation unless he represents himself to be a patent attorney.

Much misrepresentation has taken place concerning this bill, but from the fact that the bill is supported by the American Bar Association and the different patent law associations of the country, including the American Patent Law Association, having members in more than 50 different American cities, and opposition has been entered by one only—or at most two—registered patent attorneys, it can be readily seen that all such misrepresentations must be without merit. The opposition is centered in less than half a dozen people, and all of them except one are unregistered. One of these has been disbarred and another was formerly but is not now registered. The one who is not now registered is the proprietor of the Patent News, a so-called newspaper styling itself as the "official organ of the League of American Inventors," and making the claim that it is "the only newspaper on earth published exclusively in the interest of the inventor." The proprietor of this paper, the Patent News, has organized the League of American Inventors and is endeavoring to scare corporations, engineers, draftsmen, and publishers into the belief that the bill will adversely affect them when, as a matter of fact, it has no possible effect upon their activities and does not even concern them.

One statement made by the Patent News is that "a handful of patent attorneys" are attempting to pass H. R. 5527, which "will create a monopoly of the patent business for these interested attorneys." In this connection it is interesting to note that there are at least 9,000 registered patent attorneys, and if the bill had this purpose they would certainly oppose the bill instead of being found among its supporters, but that, as above stated, only one—or possibly two—registered attorneys have entered opposition to the bill.

The Patent News also is spreading broadcast the statement that—

no corporation, including a publisher's corporation, can indirectly solicit professional employment for any person admitted to practice as a patent attorney. Advertising in our view is an indirect soliciting of such services.

This is a manifest absurdity, since there is absolutely nothing in the bill that could possibly be twisted into such a

meaning, and if the bill had this purpose not a single member of the Committee on Patents would have supported the bill, and yet the Committee on Patents, after thorough investigation and many long hearings, has supported the bill and it has now passed the House the second time.

The Patent News is also sending broadcast the statement that H. R. 5527—

would deprive about 125,000 engineers, 60,000 draftsmen, 100,000 model makers and machinists, and many other professionals of their vested rights to do work in assisting inventors to perfect their inventions unless said professionals are employed through a registered patent attorney.

No one familiar with patent procedure could read the bill and not see that this is all absolutely false. Indeed, it seems incomprehensible that anyone should seriously charge that both the Patent Committees of the House and Senate, and, in fact, that the House itself—which has twice passed this bill—could possibly attempt to pass a law having such a dire effect. The bill will not prevent any engineer from pursuing his profession; it will not prevent any draftsman from making a drawing to be filed by an inventor as part of his patent application; it will not prevent any model maker or machinist from making a model or machine for any inventor. The most it will do will be to prevent an engineer, a draftsman, or model maker—or anyone else—from representing himself to be a patent attorney unless he is registered. The engineer can aid the inventor in every engineering way; the draftsman can make as many drawings for patent applications as the inventors are willing to pay for; and the machinist and model maker can make as many machines and models as they can get orders for; but if they want to enter the other or additional field of patent attorney, they must first be registered. If anyone not registered holds himself out as a patent attorney, the commissioner is not given any authority by this bill to do anything to such an offender, but the matter of taking steps to stop or punish him will lie with the United States district attorney of the district in which the offender lives. The bill then gives the Commissioner of Patents no more authority or power than he now has and has had for years.

Misrepresentations as to this bill above noted are being sent to engineers, lawyers, draftsmen, model makers, and even publishers, with the request that if they wish this "monopolistic legislation" to be defeated they should "get as much pressure to bear upon Senators as possible to defeat the measure," and ask their Senators to "fight the bill." Their correspondents are also advised that—

You should also get every lawyer, inventor, engineer, draftsman, model maker, and machinist you know to do likewise; and also get your friends who are opposed to monopoly and the concentration and abuse of power among a small group of Washington, D. C., men and a monopolization of all business connected with patents by a few registered patent attorneys to write their Senators in protest against the passage of H. R. 5527.

It is the sending forth of statements of this kind that is bringing requests to Congress to defeat this urgently needed legislation. The matter is said to be so acute "protests should be sent by telegraph, special delivery, air, or regular mail."

Let me repeat: If this bill did anything more than to prevent anyone from holding himself out as a patent attorney until he has shown himself of good moral character and possessed of a proper knowledge of patent matters, if it prevented an engineer from aiding an inventor in perfecting his invention, if it in any way prevented a draftsman from making drawings for the inventor, if it prevented a machinist from making machines for the inventor, if it prevented a model maker from making models for the inventor, if it prevented a publisher from publishing patent advertisements, I would never have introduced the bill. And let me add that these same statements were investigated by the Committee on Patents and all of them were found to be wanting in truth. [Applause.]

Mr. WASON. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. LaGuardia].

Mr. LaGuardia. Mr. Chairman, I desire to touch upon two of the items in the pending appropriation bill. The same points that I raise to-day I have been raising almost every year when the independent offices appropriation bill was before the committee for consideration. And even at the risk of becoming tiresome by repetition I want again to call the attention of the House in the hope that the necessary remedial legislation will be passed.

Gentlemen, we have an item in the bill of over \$499,000,000 for the Veterans' Bureau. A large part of that item naturally is for the allotment of adjusted compensation. To that there is no objection. But it seems to me that an examination of the

enormous cost brought about by the gigantic machinery that is being built up for the administration of the veterans' law causes one to pause and consider whether or not we are spending too much on overhead and not giving enough to the veterans.

There are entirely too many examinations and reexaminations in the Federal bureau. Once a veteran is rated he should not be disturbed for two years unless the man asks for a re-examination for a higher rating. Another thing veterans should not be compelled to undergo operations when their own personal physician advises against the operation.

This bill carries an allowance of \$499,000,000 for the Veterans' Bureau. I can only repeat what I have said for many years in considering this bill that I believe a great deal of the overhead—clerical, supervisory, medical, and institutional employees could well be disposed of and better compensation allowed to the disabled veterans.

To my mind, it is simply disgraceful to give a veteran afflicted with tuberculosis an allowance of \$50 a month. He is not able to work and he can not live on \$50 a month. This seems to be the period of refunding some of the excessive burdens of the war. More than \$500,000,000 have been refunded and only a few days ago we appropriated an additional \$75,000,000 to the poor, feeble, needy war profiteer who paid taxes on his excess profits out of the war. We can not refund the health to these tubercular veterans, but we can at least keep faith with them and increase their compensation. Fifty dollars a month is not enough for a tubercular veteran.

There are entirely too many examinations and reexaminations in the Veterans' Bureau. Once a veteran is rated he should not be disturbed for a year or two unless he himself asks for reexamination for a higher rating. Another thing, veterans should not be compelled to undergo operations when their own personal doctors advise against same. Veterans who are to be operated on should have the selection of the hospital and the surgeon to perform the operation. In large cities arrangements can easily be made with medical institutions where great surgeons operate daily and give the benefit of their skillful surgical services to these boys. If not, ample and generous provisions—and it may cost a great deal—should be made to compensate boys who undergo operations that are botched up. There are many such cases and only within a few days I have talked to several Members who have had similar cases in their own districts. If less money were spent for examinations, reexaminations, ratings and reratings, boards of review and other kinds of reviews, and more given to the veterans, it would be in keeping with the wishes of the American people.

I still insist and recommend that tubercular veterans who are hospitalized should have the selection of either going to the Government hospital or receiving the per diem allowance which it costs the Government to maintain him in such hospital and to permit him to go where he desires. The argument of the Government that tubercular veterans need hospital care and can not provide for themselves is suggested when we ask for the same per diem allowance for the veterans as it costs to maintain him in the Government hospital. When the Government turns him loose after one year of treatment still afflicted with tuberculosis at \$50 a month, then nothing more is said by the Veterans' Bureau officials of the need of continued hospital care and the impossibility of permitting a veteran to remain at home.

I do not see how these war profiteers, who received millions of dollars of refund from the Government from taxes paid on excess war profits, knowing that there are tubercular veterans receiving \$50 a month from the great Government of the United States, can possibly sleep nights. Their consciences must certainly be tortured by the very thought of such a condition.

If the cost of keeping a veteran in a hospital is examined, you will find that it averages \$4.50 a day to \$7.50 a day, depending upon the hospital; and if we allowed the boy \$4.50 a day, I believe it would be a great deal better for the veteran himself, because the state of mind is a most important factor in tubercular cases. What do we do? We take him to a hospital and keep him there for a year. We allow him proper compensation for a limited period, and then we turn him loose at \$50 a month. If the argument of the Veterans' Bureau is sound that a tubercular patient should not be permitted to be at large, how can they justify their own system of turning the patient loose at \$50 a month?

Mr. LUCE. Mr. Chairman, will the gentleman yield?

Mr. LaGuardia. Yes.

Mr. LUCE. Is not what the gentleman calls "turning loose" the dismissal of a case whose progress has been arrested?

Mr. LaGuardia. But the progress of the case has not been arrested. It is arrested merely for the purpose of the law,

and I submit to the gentleman and to our colleague, the gentleman from Illinois [Mr. IRWIN], who is himself an eminent physician, that an arrested tubercular case requires a great deal of care. The patient can not engage in laborious work; he can not risk exposure in inclement weather. He requires a great deal of care to hold his own in an arrested case, and \$50 a month, with the existing conditions, with the care that an arrested tubercular case requires, is not sufficient. I know literally hundreds of boys who are simply going down physically by reason of the fact that with \$50 a month they are not able to give themselves the care that is required, to provide for themselves the proper and necessary nutritious food that they need. It is not always possible for a boy to go out and find part-time light work. It is not possible always for a boy to find work only when the weather is good, so that he may remain at home and be protected in damp weather; so that it is cruel to turn the boy loose—and I repeat the term—at \$50 a month.

Mr. LUCE. Will the gentleman yield?

Mr. LA GUARDIA. Certainly.

Mr. LUCE. In fairness to the Members of the House who have the particular responsibility for advising the House in this matter, I think the Record should show that they have given very serious attention to the considerations on both sides, and that the weight of the testimony has so far seemed to those gentlemen to be in favor of keeping patients close to medical care. While the gentleman presents a strong argument, still stronger arguments have been presented in favor of the present system to the committee concerned.

Mr. LA GUARDIA. What the gentleman stated is the condition. There is no issue of fact as to that. Still I believe that \$50 a month for an arrested case is not sufficient. I know that all pioneer work requires years of patient toil. Why, 10 years ago I sought to advise the House on Liberty motors, and it took 10 years of constant repetition to get an amendment stopping the further use of Liberty motors on new planes adopted by the House a few days ago. So I shall continue my insistence in bringing to the attention of the House the condition of the Veterans' Bureau, which I believe needs correction.

Now, I want to take up another item in the appropriation bill before the House.

Mr. PERKINS. Will the gentleman yield?

Mr. LA GUARDIA. I will.

Mr. PERKINS. Did the gentleman state what relation the overhead bears to the total expenditure for the World War veterans?

Mr. LA GUARDIA. I think you would have to eliminate from that calculation the amount appropriated for adjusted compensation.

Mr. PERKINS. I think that, too. I think we ought to know something about the relationship that the overhead bears to the total amount.

Mr. LA GUARDIA. I think I gave it last year. I can get the figures.

Mr. DENISON. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. DENISON. The gentleman discussed in an enlightened manner the question of the refund in excess-profits tax collected. Does my friend from New York think a man who has been charged an excessive amount of tax may not be entitled to get his money back?

Mr. LA GUARDIA. The gentleman should reframe his question. The gentleman means taxes in excess of what the law required?

Mr. DENISON. If a man believes that he paid more taxes than he ought under the law for his excess-profits tax, does the gentleman think he ought to make a claim?

Mr. LA GUARDIA. Yes.

Mr. DENISON. Does the gentleman think it ought to be paid back?

Mr. LA GUARDIA. Yes; but I also believe that the poor disabled veteran, who contributed excessively of his health should likewise receive an equal, substantial refund. We can not give him back his health, but we can give him substantial compensation and partially contribute to his comfort.

Mr. DENISON. We all agree, but that does not necessarily mean the gentleman believes we ought to pay back taxes improperly collected?

Mr. LUCE. Will the gentleman yield again?

Mr. LA GUARDIA. Yes.

Mr. LUCE. I am not quite sure, but perhaps \$5,000,000,000 has been put at the command of those who suffered from the war. We have been seriously engaged in an effort to give them the best treatment possible. Of course, the exact figures could be computed, but something like \$5,000,000,000 has been already paid. Is that parsimonious?

Mr. LA GUARDIA. You can not figure it in total dollars and cents. War is expensive. The gentleman knows that we are now spending more than 68 per cent, in fact 70 per cent, of the entire appropriations of this Government for past wars, for present defense, and preparations for future wars. It is the enormous cost of war. Whatever it costs to properly care for disabled veterans, we must meet it. We owe to these boys just as much in refunding, even a greater duty, as was so ably pointed out by the gentleman from Illinois, than we owe to the taxpayer who paid excess war taxes.

Mr. ARENTZ. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Certainly.

Mr. ARENTZ. The other day I made a request for a bed for a tubercular patient, an ex-service man, and I found that there is not a tubercular bed in a tubercular hospital in the entire West that is vacant. I do not know whether that is true in the East or not.

Mr. LA GUARDIA. What of the boy in the meantime?

Mr. ARENTZ. He is in the same predicament as the boy who is let out of a hospital at \$50 a month, wandering around.

Mr. LA GUARDIA. Why should not that boy be allowed a per diem sufficient to take care of himself?

Mr. ARENTZ. He should be.

Mr. LA GUARDIA. Now I want to take up another item in the bill providing for the Shipping Board and the United States Lines. I voted for every appropriation that would in any way encourage and help to build up an American merchant marine. I want the chairman to correct me if I am in error when I say that there is provided in this bill, in addition to the \$11,000,000 plus directly appropriated this year, a reappropriation of the amount on hand on July 1, 1929, not to exceed \$50,000,000, including such sums as the Shipping Board may have received for the fiscal year 1927 for the reconditioning of vessels—a very generous appropriation, indeed.

Congress appropriates generously for the establishment of a merchant marine. In the building up of a merchant marine, the training of the crew is as important as the ships and their operation. Whatever may be said about prosperity to-day—and personally I believe that a great deal of the prosperity is simply a stock-ticker prosperity—the fact remains that we have considerable unemployment. In New York City the unemployment situation is very acute. I am reliably informed, and I have figures to prove it, that in the stewards' department of the United States Lines aliens are preferred. Not one but hundreds and hundreds of clean-cut American boys have applied for jobs on the United States Lines and are turned down, while in the stewards' department on every ship of the United States Lines are aliens. When the steamship *Leviathan* sailed out of New York on December 5, 1928, the aliens in the steward's department outnumbered the citizens 2 to 1. There were 204 citizens and 452 aliens. The steamship *George Washington*, sailing from New York December 12, 1928, in the steward's department had 62 citizens and 257 aliens, and there are American citizens walking the streets of New York to-day looking for jobs. The steamship *America*, which sailed on December 27, 1928, in the steward's department had 67 citizens and 166 aliens. The steamship *Republic* sailed on the last trip with 50 citizens and 153 aliens in her steward's department. While a great many of these men have their first papers, I have absolute proof that they are not bona fide declarants. They took out first papers only for the purpose of being employed by the United States Lines on the advice of officials of the United States Lines, who assisted them in getting these papers. Ninety per cent of these men have their families on the other side and are recruited in Europe and England by officials of the United States Lines.

I have not yet determined just what is the reason that the men in charge of the United States Lines prefer aliens. I charge that it is because there is some queer business going on in the steward's department of those ships and the steward's department on shore that the employment of the majority of aliens fits into the whole rotten scheme.

The United States Lines can not say that they can not obtain the right kind of employees, for the reason that the merchant lines are running out of New York with 97 per cent of their crews American citizens.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. ROBSION of Kentucky. I agree that, so far as can be, American citizens ought to be employed on our ships. But I have had this information from a number of concerns; I do not know how reliable it is. It is to the effect that these stewards' places or positions are rather positions of menial service and Americans will not accept them. Is there anything to that claim?

Mr. LAGUARDIA. No. Take the ships on the American Merchant Line. They find all the American-boy stewards that they require in going out of New York. Talking about veterans a few moments ago, a great many veterans in New York City would be glad to take up that work. Steward's work on a ship is not necessarily menial. The man can work himself up to a supervisory job. There are many desirable places in the steward's department that a young man can work up to. At present all these supervisory jobs are in the hands of either German or English subjects on the United States Lines.

The history of the sea has yet to record the loss of a ship where they had an American crew—where a crew saved themselves and every child was drowned and the majority of the women. That happened on the *Vestris*. There is no such blot on the history of American sailors, and there never will be. I am going to offer an amendment at the proper time compelling the Shipping Board to give preference to American citizens in place of the aliens who apply.

CHARGES UNITED STATES SHIPPING LINES BEING THE DUPE OF THE ENGLISH

The United States Lines and the Shipping Board are now whining and complaining because the Cunard Steamship Co. is entering into competition with them in the Cuban service. The fault is entirely with the United States Lines. Last year I advised this House and suggested that this very thing would happen. The United States Lines have been cajoled into joining the continental conference and other shipping conferences controlled entirely by foreign steamship companies. The officials have been so stupid as to permit the English to verily lead them by the nose. The foreign steamship companies control these conferences; they fix the rates, they arrange the schedules of sailings, they divide up the trade, they even fix up the commissions paid to agents, which commissions they themselves violate, and the poor, stupid officials of the United States Lines have been going along and doing as they were told by the English steamship companies; and now—although they are in the conference, although they have arranged their sailing schedules and rates according to the conference—here is a company in this very conference entering into competition in the Cuban service.

It we are to have rate war, we might as well have it so that we can be part of the war; but by the United States Lines joining in the conference, the foreign steamship companies are waging war against United States ships; and the United States Lines, by being part of the conference, are being told what to do and how to do it by these foreign steamship companies.

Mr. BANKHEAD. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. BANKHEAD. A moment ago the gentleman spoke about these competitive steamship companies violating conference agreements with reference to the commissions paid to their agents. Has the gentleman any information as to whether or not they also violate their agreements with reference to freight charges?

Mr. LAGUARDIA. I have some data on that in my office. Do they not get around that by preferential railroad rates on the other side? I think that is one of the ways they do it. But, of course, I suppose they also violate their agreements on the amount of commissions to be given to freight agents. It happens all the time and yet the United States Lines were cajoled into this conference and remain in it. I can not see that we get any benefit from it. We abide by the terms of these conferences in good faith, but the same terms do not seem to be binding on the foreign steamship companies; and that is my objection to it.

Now, the officials of the Shipping Board talk about a rate war. If we are going to have a rate war then let us have an honest-to-goodness rate war, where we can go out and have as much freedom of action as the foreign steamship companies seem to have against our lines.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CULLEN. Mr. Chairman, I yield 10 minutes to my colleague from Texas [Mr. Box].

Mr. BOX. Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to include therein a brief newspaper clipping.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. BOX. Mr. Chairman and gentlemen of the House, I have the honor to hold the subordinate position of Democratic whip of this House. For nearly eight years I have served as first assistant to my friend and our lamented colleague, Hon. W. A.

Oldfield, long the Democratic whip. When other duties or illness compelled him to be absent I usually performed as far as I was able the duties of the place.

Mr. Oldfield's death made us sad and left a big gap here. At that time it was and it is now hoped that my friend the gentleman from Texas, Mr. GARNER, would succeed Hon. FINIS J. GARNETT, whose prospective retirement we all regret, as minority leader of the House. I knew and then told the gentleman from Tennessee [Mr. GARRETT] and the gentleman from Texas [Mr. GARNER] that the Texas delegation could not decently ask or hold at the same time the positions of leader and whip on this side. The gentleman from Texas [Mr. GARNER] had been in Congress some 16 years before I came. He has long been the ranking Democrat on the Ways and Means Committee, where he has rendered substantial and conspicuous service to the party and Nation. His position, his ability, his service, and his seniority made it preeminently appropriate and right that he should become minority leader upon Mr. GARRETT's retirement.

MESSRS. GARRETT, GARNER, and other colleagues therefore understood clearly from the first that my service as whip would be terminated when Mr. GARNER became leader. I want my colleagues and the country to know the facts as they have been definitely recognized by me and many others from the beginning of my service in this unpretentious capacity.

I wrote my recent letter to Governor Roosevelt as a Democrat belonging to the rank and file in this House and in the country. I am glad I wrote it.

Governor Smith received my support in the recent campaign and Governor Roosevelt had it when nominated for Vice President some years ago. Being strongly attached to the party and deeply interested in its faithfulness and efficiency in serving the Nation, I wrote Mr. Bryan about party policies after one or more of his campaigns, and Hon. John W. Davis on the same subject after his defeat four years ago.

In writing my recent letter to Governor Roosevelt I was moved by the same purposes which have heretofore prompted me and said only what millions feel and what the humblest Democrat has a right to say. His letter to me dealt with future party management, and mine to him complied with a request in his letter to me in the following words:

I hope you will write me soon.

Dissatisfaction in some political circles with my reply must arise because I candidly stated the situation as I see it and future developments as I foresee them, or because I let the public know what I was saying about public affairs of vital public importance.

I am not and have never been affiliated with the Ku-Klux Klan.

Few, if any, publications carried my letter to Governor Roosevelt in full. The first sheets released carried full verbatim copies. After the letter had gone to Governor Roosevelt the correspondent of two important dailies notified me that he would not report what I had written about the development of tolerance and religious liberty in America and the necessity of continuing them. Because that section was somewhat long and liable to be distorted by abridgements, I eliminated it from all subsequent releases. It was as follows:

Our Government does not handle questions of church creeds and practices; therefore they are not political. The extermination or subjugation of either the Catholic or the Protestant group by the other is impossible. Efforts in that direction filled a large part of Christendom with strife and distress for ages. Chiefly through the efforts of Mr. Jefferson, America worked out the plan of having our religious groups cease all political strife, practice tolerance, enjoy equality, and join in working for the political commonweal. Without political equality religious liberty is impossible. Neither Democratic people nor their leaders can deny either of these groups political equality without violating a fundamental of Americanism and democracy and sowing the seeds for a fearful and continuing harvest to be reaped by coming generations of Americans. In making its nominations and shaping its policies the party must avoid raising this religious issue.

I hope the press will find it worthy of publication.

With permission of the House, I quote at this point a brief newspaper report published in the Minneapolis Journal of July 14, 1928:

RASKOB MAY QUIT REPUBLICAN CLUB—DEMOCRATIC CHIEF DECLARES HIMSELF WILLING TO RESIGN FROM UNION LEAGUE

PHILADELPHIA, July 14.—John J. Raskob has indicated his willingness to resign from the Union League here if his membership in that organization, which always has been Republican, and which has indorsed Secretary Herbert Hoover's candidacy for the Presidency, should prove an embarrassment to the club because of his acceptance of the chairmanship of the Democratic National Committee.

Speaking last night at his summer home near Centerville, Md., he said:

"I have no desire to embarrass the Union League. I shall be guided by the advice of the officers; and if it is found that continuance of my name on the rolls is embarrassing to the membership, I shall be glad to resign."

Mr. Raskob denied a report from Washington that he had urged President Coolidge to be a candidate for the Republican nomination.

"I did not talk to the President about the campaign," Mr. Raskob said. "It always had been my private opinion that Mr. Coolidge would be drafted, because, as a business man, I did not believe that the Republican Party would take a chance with a weaker candidate against the popularity of Governor Smith."

Many other press reports indicating that Mr. Raskob has been and was during the recent campaign a Republican have been published and, so far as I know, have never been denied. In many instances the majority Republican or Democratic organization dominating the politics of certain regions has controlled the local party machinery of the opposing party, feeding minority leaders from the back doors of the dominant bosses, holding the local minority organization in a kind of vassalage, and making it subservient to the usually unworthy purposes of the master machine.

Early in the recent campaign Democrats heard with dismay that their national party organization had been placed in the charge of a master of finance of the Republican Party faith, who, without becoming a Democrat, took charge of the dishonored and perverted organization largely for the purpose of using it to repeal or emasculate the eighteenth amendment, ratified and cherished by every safely Democratic State and overwhelmingly adopted by the Nation in a constitutional way.

Governor Smith may correctly estimate some of the people of some parts of the country, but in making the arrangement mentioned he demonstrated that he greatly underestimates the independence, self-respect, and patriotism of the Democratic hosts of the cities, towns, and open spaces of America.

Many Democrats rebelled. Party loyalty and insuperable objections to supporting the Republican régime compelled many others to tighten their lips and endure the situation; but, if I know them, they will not passively permit themselves and their party to be thus enmeshed again.

Mr. Chairman and gentlemen, I am not fighting the Democratic Party or Democracy. I expect to die a Democrat. If I could, I would free the national Democratic organization from unworthy and subverting Republican control. The spirit and purpose of Democracy are sound, but its national organization is for the time in charge of one who would use it for purposes foreign to its mission and unworthy of it. [Applause.]

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I want to briefly reply to a statement made in the RECORD yesterday, which is very misleading and may be harmful.

The gentleman from South Carolina [Mr. STEVENSON] was talking about the tariff and the effect of a meeting held in New England recently and said:

I want to direct the attention of this House to the fact that we are to have tariff legislation next year, and it was stated by the chairman of that great meeting that they hoped to insert into that tariff bill a provision which will protect only those that are limited to a 48-hour week.

Having been the chairman of that meeting, I do not want any such statement attributed to me.

After listening to a very eloquent and interesting address from one of the prominent labor leaders, who said, in substance, that the tariff had not helped labor to the extent expected, inasmuch as the Southern States by exploitation of labor, after they shared in tariff protection, had been able to injure New England by fierce competition, I simply said, "Let us see, then, if we can in any way apply some labor legislation into the tariff."

But it had been previously explained in the meeting how impossible it was to inject any labor legislation into tariff legislation. While I have this five minutes I will take the opportunity to refer to the 48-hour week, as so many have referred to the constitutional amendment of the gentleman from Massachusetts [Mr. DALLINGER] denouncing a 48-hour law for all of the States. Perhaps that gentleman and others of us who favor the principle do not expect immediate action, but it is an effective way to bring the attention of the Congress to the fact that labor is being exploited in this way, bringing about deadly competition in industries within our own country.

I wish to call the attention of the committee to the fact that whenever Congress has had the opportunity, as in the

Adamson law, labor was restricted to a 48-hour week; and when we write contracts now—and as we shall continue to write them—we provide that they be performed under a 48-hour week.

So this Government, through the Congress, is on record, whenever possible, to set the example of the 48-hour week; but we are not so foolish as to think, and do not want you to expect, that there will be any attempt whatsoever, so far as I know, to inject into a tariff bill the 48-hour-week problem simply because we know of no way that it could be accomplished in such legislation.

Mr. WASON. I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and members of the committee, I was interested in the speech of the gentleman from New York [Mr. LA GUARDIA], in which he described the effects of destructive competition in shipping and the efforts made to deal with it.

This problem of destructive competition is important not only in international business but it is one of the gravest issues in domestic commerce. It is to that problem that I desire to devote the time which has been allotted to me.

In 1914 Congress created the Federal Trade Commission, and in that act laid down the ban against unfair competition. Section 5 of that act is as follows:

SEC. 5. That unfair methods of competition in commerce are hereby declared unlawful.

The commission is hereby empowered and directed to prevent persons, partnerships, or corporations, except banks and common carriers subject to the acts to regulate commerce, from using unfair methods of competition in commerce.

Now, in my estimation one of the outstanding methods of unfair competition in business is the practice of selling trade-marked, identified, standard merchandise at ruinously low prices in order to broadcast the belief that all goods are sold at the same low prices. Such practices deceive the public and destroy competition.

However, the Federal Trade Commission has never acted upon this method of unfair competition, presumably because the Supreme Court of the United States, in the Doctor Miles Medical Co. case of 1911, declared that price-maintenance contracts to prevent such price cutting for ulterior purposes were in violation of the Sherman antitrust law of 1890.

The Federal Trade Commission endeavored to act in line with this Supreme Court decision and began action against various business concerns charged with attempting to maintain prices. This led to such confusion that the commission on December 12, 1927, issued the following memorandum:

The question of resale price maintenance is one of the most troublesome with which the commission has to deal in the present state of the decisions. The early Federal cases trace the principle to a passage in Coke on Littleton dealing with restraints on alienation. Courts, in attempting to apply these ancient principles, have fallen into hopeless confusion. Orders of the commission, issued under its organic act, have been upheld in some circuits and set aside in others on almost undistinguishable states of fact.

It is evident that legislation will be required to cure the present unsatisfactory conditions; and it seems unlikely that Congress will enact such legislation without definite information as to the probable effect thereof on competition and prices.

It is significant that for the year 1928 not a single action involving price maintenance was brought by the commission. During that year the whole investigating personnel was engaged in a complete investigation of this whole subject. I was informed to-day at the offices of the commission that its report would be transmitted to Congress in the very near future.

In line with the suggestion that legislation is necessary to meet the present unsatisfactory situation, I have had pending in the Committee on Interstate and Foreign Commerce H. R. 11, known as the fair trade bill. A similar measure has been introduced in the Senate by Senator CAPPER, of Kansas.

Here is the first section of that bill:

Be it enacted, etc., That no contract relating to the sale or resale of a commodity which bears (or the label or container of which bears) the trade-mark, brand, or name of the producer or owner of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed to be unlawful, as against the public policy of the United States or in restraint of interstate or foreign commerce or in violation of any statute of the United States, by reason of any agreement contained in such contract—

(1) That the vendee will not resell such commodity except at the price stipulated by the vendor; and/or

(2) That the vendee will require any dealer to whom he may resell such commodity to agree that he will not in turn resell except at the price stipulated by such vendor or by such vendee.

The remaining sections provide that there must be no agreement between producers or between wholesalers or between retailers as to sale or resale prices. All reasonable contingencies when standard prices may be reduced are also provided for in the bill.

The Interstate and Foreign Commerce Committee of the House has held the most exhaustive hearings on this subject, with full opportunity for both sides to be heard. A subcommittee then went into the matter, and four members out of five urged immediate favorable action. One paragraph from that report is as follows:

The testimony already taken shows that local dealers suffer destructive competition from these chain stores and other large distributors with great capital, who often offer standard goods of a nationally advertised brand at prices which represent cost, or, in some cases, less than cost. They do this for the purpose of attracting customers, and make up their loss on this standard article by greater profits on staple goods on which there are no standard or advertised prices, so that the customer is not advised as to a fair price.

Mr. Chairman, of course I do not know what the Federal Trade Commission will report. I do know that it can not fail to point out the evils of the present situation. Legislation alone can remedy these evils, and Congress is responsible for legislation. We have declared unfair competition to be unlawful. Our duty now is to declare predatory price cutting on standard goods to be unfair competition, and grant independent business men the power to protect themselves against it.

Such action will be taken in the public interest. The people of this country are vitally interested in fair competition, because unfair competition is the sure road to oppression, injustice, and monopoly.

Mr. Chairman, the evil effects of cut prices on standard services have been recognized by the United States Government and by every State in the Union. It has been universally recognized that discrimination in prices, while benefiting the few, has always worked injury to the general public.

The antitrust laws were passed for the express purpose of preventing monopolies from being built on cut prices. Specific laws in the States provide severe penalties for the individual, firm, or corporation that cuts prices on standard services.

These laws forbid discrimination by railroads and public utilities, pipe lines, warehouse companies, and on all kinds of insurance.

Why do the governments, representing the people, take such action? Certainly the person who secures the cut rates is benefited. Is it fair to take his bargain from him?

If a man can get an insurance policy on his life at half rate because he is an intimate friend of the agent, why should he pay more? If a man has a pull with the gas company, why should he pay the regular price for lighting and heating his house?

These questions answer themselves. We have all come to see that uniform rates are essential to public protection against injustice—unregulated monopoly. If some pay less than a fair rate, others must pay more.

Exactly the same principles apply as to standard goods, and general recognition of that fact can not be much longer delayed.

Whenever the Government deals with a business it must of necessity insist, first of all, upon selling-price control. The railroads can not cut rates, give rebates or unfair advantages. The first regulation must be regulated prices.

Postage stamps are sold at uniform prices, and there is a law on the statute books prohibiting any juggling with those prices.

When the Pan American Union put out its book on The Panama Canal the stipulation was made that the retail price must be uniform. The director said, "I did it to protect the public."

If you visit our national parks, you will see standard prices fixed by the Government for transportation, meals, rooms, baths, and so forth.

Now, if unfair competition on prices is so completely prohibited by government where it has responsibility, is it not fair to assume that a system of cut prices on standard goods may also be against the public interest?

Already a number of States have acted. Among others, New Jersey, Missouri, Indiana, Wisconsin, and California have passed laws designed to prevent "cut rate" dealers from undermining the market on trade-marked goods and from deceiving the public into the belief that unknown and unmarked goods are sold at similar low prices.

The simplest, least expensive way of ending unfair price competition on standard goods is through a free contract be-

tween the manufacturer of such goods and his distributors. Until the Doctor Miles Medical Co. decision this was the method which had been declared valid in many Federal courts.

However, that decision declared that such a contract was in violation of the Sherman antitrust law. Then ensued a period of jungle competition which has continued to the present time.

As a result, great distributing combinations are growing like mushrooms and are having, in my opinion, a menacing effect upon the social and business life of America. In so far as they thrive through cut prices on standard goods they are endangering honest business. Most of them are out for profits, regardless of the interests of the consumer.

Those of us who stand for fair competition in business propose to make these combinations deal fairly with the public, manufacturer, and fellow distributors as far as standard goods are concerned. We propose to permit the manufacturer of identified goods to enter into contract with his distributors as to the fair and uniform price at which his products shall be sold. We propose to prevent the formation of merchandising monopoly through deception and unfair competition.

We contend that such a right will not mean higher prices to the consumer, but lower prices. It will take away no just privilege from consolidated business, but it will take away one weapon of unfair competition. It will give no undue advantage to independent business, but it will give a square deal to fair competitors.

It will encourage efforts to reduce the cost of products and increase their quality, knowing that a fair price may be protected. It will afford opportunity to the individual to sell his services or his commodities on a basis fair to customers, manufacturers, and distributors.

One thing is certain—if we fail to secure the boon of fair competition, opportunity in independent business will not much longer stand knocking at the door of young America.

In his acceptance speech at Palo Alto, President-elect Hoover said:

As Secretary of Commerce I have been greatly impressed by the fact that the foundation of American business is the independent business man. We must maintain his opportunity and his individual service. He and the public must be protected from unjust competition, from domination and predatory business.

That is the expression of a great purpose with which every good American must agree. We should give the independent business man a fair field but no favors. If we safeguard him from unfair competition, he will take care of himself. We should give him a chance to protect himself against price-cutting profiteers. We should let him know that efficient, economical service is the sure road to success. I am confident that, given a square deal, the independent business man will show he is worthy to continue as a self-reliant, efficient servant of the American public.

He is not getting a square deal under present conditions. He is being destroyed by unjust competition, domination, and predatory business.

Let us survey the field. There are three factors in the production and distribution of the goods upon which the welfare, prosperity, and happiness of the whole people depend. They are: Retailer, wholesaler, and manufacturer. Each factor is vitally concerned in this problem of fair competition.

Mr. Chairman, let us consider the plight of the independent retailer. The work in which he is engaged is of vital importance to every American. His job is to get to the ultimate consumer the things he must have in order to maintain life. Food, clothing, necessities, and comforts must be bought in large quantities and sold in small. There is no way to get them to the American home except through some form of retail distribution.

No one need apologize for being interested in this essential phase of business. It comes closest to the family and the home. The welfare of every man, woman, and child depends upon the performance of this task. That it be performed in the most efficient and economical manner is of the first importance. There must be a fair price for the goods sold and there must be adequate service to the public.

There are about a million and a half retailers in the United States handling every conceivable commodity from apricots to zinc. Up to this time the very foundation of this far-flung system of distribution has been the independent retailer, serving the community of which he is an active part and in whose welfare he is already interested.

"Uncle Joe" Cannon in his "autobiography" has defined the place of the independent merchant in early American days in the following terms:

The pioneer and the little shopkeeper of pioneer days and after him the small merchant and after him the captain of industry were in no

respect different except that the merchant took greater risks. The men who bridged the rivers and built the railroads were not the only pioneers.

Now, Mr. Chairman, what is the predatory business to which the President elect referred? The word itself takes us to the jungle, and where perpetual warfare means the survival of the strongest and the most cunning. That word makes us think of beasts of prey, whose law is that of tooth and claw.

The predatory retailer is the one who drives the small concern to the wall through unfair competition. Of course, he can not avoid the laws of successful business any more than the laws of gravitation. Business, in order to endure, must yield a living profit. If money is lost on some articles it must be made up on others. But the predatory retail concern may destroy competition if it can delude the public into believing that it sells all goods for less than others charge.

There is but one way to practice such deception. Set the trap with bargain bait, using standard, trade-marked articles, at prices far below the standard, publicly approved price. Then having lured the public into a false belief, sell unnamed and unidentified goods at excessive prices.

If this be practiced by some huge combination, with many stores, the profit from one store or any group of stores may be sacrificed until competition is destroyed. Then the losses may be recouped by advances all along the line, while the duped and deluded public pays the bills.

That is predatory business. It is selling at cost or below cost some well-known, standard products in order to create the impression of universal bargains. Its method is always unfair competition, never fair competition. It always cuts prices for ulterior purposes, never stabilizes prices on a fair level.

Those of us who wish to give the independent retailer at least a fair chance against predatory business believe that a great deal may be accomplished through the so-called Capper-Kelly bill. Under this measure, the manufacturer of an identified, trade-marked product will be enabled to contract with his distributors as to resale price. Its purpose is to protect business from the dealer who is both a price cutter and a profiteer.

Every independent manufacturer who desires to protect his uniform price from being juggled by predatory business will be able to do so. By proper and fair cooperation the maker of goods and the distributors of them will be able to protect themselves and the public from the effects of this unfair competition.

Mr. Chairman, the efficient retailer is in desperate need of such protection. Through the right of voluntary contract we are trying to give the independent business man who is honest and competent an opportunity to be secure from unfair trade practices.

We are trying to free such worthy men from unjust fear and menace—the fear of seeing a hard-won business destroyed overnight by piratical practices and the menace of competition based on fraud and deception.

This little bill is a David's pebble which will help to slay the Goliath of predatory price cutting. It will prove a declaration of independence for the independents. It means mutual profits sales, not cut price on one sale and extortionate prices on others.

The independent retailer can not protect himself to-day, because the Supreme Court has held that uniform prices on trade-marked articles can not be established by contract. At the same time the court has held that uniform prices on all articles can be established by ownership.

As a result of these decisions one giant concern may operate 18,000 stores and charge uniform prices on all articles sold, but an independent manufacturer can not act by contract with 100 retailers as to uniform price on his own standardized, guaranteed product. Contract, the weapon of the independent business man, is under the ban, while ownership, the weapon of the giant combination, is given judicial benediction.

Our desire is simply to put contracts and ownership on the same basis and thus give the independent dealer a chance to meet his mammoth competitor on equal terms.

It is time to act. It is true, as President-elect Hoover has said, that the independent business man has been the backbone of American business. It is also true that that backbone is not so steady and erect as in other times. It is bending beneath a heavy load.

The independent retailer is being attacked from many quarters—great semimonopolistic merchandising corporations, mail-order houses, chain stores, manufacturers' selling agencies.

In a little local paper which I receive I read the other day of the retirement from business of an old friend. He had been a neighborhood grocer for 30 years, making an honest livelihood, and no more. He went down before a unit in a nation-wide chain of stores.

If it were not so common that it has no longer any news value, every paper every day, everywhere, could have an item like this: "John Littlefellow, proprietor of the neighborhood store in Homes Street, has been forced to close out his business after 20 years in the same location. He has as yet made no plans for the future."

If we recognized real service to the community we would pin on the breast of many of these community builders the distinguished-service medal. Better still, if we recognized the principle of free opportunity which is involved in their elimination, we would prevent the overthrow of their business and their life work by unfair, dishonest competition.

Let us think of John Littlefellow. When he first established his store he served a few scattered families in a new district. He knew every man, woman, and child, and he was counselor, guide, and friend to all.

He extended credit to the man out of work, who ran up a bill which awaited happier times. He did not point to a "Cash only" sign. He had troubles as he struggled and planned to meet the needs of a growing community, but he kept them to himself. He believed in his community, in his own ability, and the goods he sold. He followed honest business methods. He sold goods at a fair price, which included a fair profit for himself. He had one price for all and did not cheat trusting customers or inexperienced buyers.

He was not great nor brilliant nor too wise. Still he faithfully served his people in fair weather and in foul. No time clock nor steam whistle marked his working hours.

He paid his taxes and his bills. He served on public committees and helped a little in every movement for the upbuilding of his home community.

His hair grew white, but he was happy in his job, and was very proud of the good will of his little place of business. Though he only cleared enough to support himself and his family, he would not have traded places with a king.

Then came a chain store to take advantage of trade developed in a built-up community. The hardships of pioneering had passed; now the field was ready for easy harvest. Prices on standard, nationally known goods were cut below cost. The store laid a line of trade-mark bargains to its overprice traps.

John Littlefellow saw his patrons leave, those he had served and accommodated for years. They were deceived and it appeared that he had been extorting excessive prices. Surely the chain store, which could give such bargains on goods whose prices were known to all, must give similar bargains on all goods. They could not see that the same hand which gave them a few pennies on identified goods also took a dollar out of their pockets in extortionate prices on unidentified goods.

John Littlefellow saw the situation clearly. Still he could not bring himself to adopt the tactics of the opposition. He could not sell some articles below cost in order to cheat his customers on others. He did his best but he was in a jungle war in which the most unscrupulous has all the advantage.

He asked no pity and he took his medicine. He fell a victim to unfair competition and closed his store one night for the last time. In his place stands a unit in a country-wide chain, managed by a hired man, here to-day, in the next State to-morrow. Rid of competition, this store is master of the field and prices go up, while the duped public pays the bill for unfair business methods just as it always does.

Is it not time to realize that a square deal to the John Littlefellows of business means the public welfare? Can we not see that the present rule of predatory competition is destruction to that free opportunity for which America stands?

What is the situation? Let us ask William J. Baxter, who wears the impressive title of director of research, chain stores research bureau. He was present on October 23, 1928, at the trade committee conference of the National Association of Manufacturers. That conference was held in the Waldorf-Astoria in New York City, and Mr. Baxter made an enlightening speech. He is proud of the growth of chain stores and is in a position to know the facts. He said:

Although we had chain stores prior to 1920, there were certain forces that worked in the business situation in this country from 1920 on that have made for tremendous chain-store growth. In that growth I have been happy to be associated with some 300 chains.

Here is an expert who ought to be able to give information. All the more because he had been so happy in his work. Independent business men were not so happy, but why bring that up?

Mr. Baxter goes on:

In 1920 the chains were doing 4 per cent of the business. To-day, as far as we have been able to determine, the chains are doing 18 per cent of the retail business. During 1928 the sales have been slightly in excess of \$8,000,000,000. At the start of this year we had 101,000 stores in this country, chain stores which did as much business as approximately 300,000 independent stores.

That is not all. Montgomery Ward & Co. and Sears, Roebuck & Co. have embarked on a plan of establishing 1,500 great retail stores each within the next five years.

Edward A. Filene, department-store owner of Boston, believes that the all-conquering distributor will be the chain department stores. There are many chains now in existence, and the largest of all has just been announced, with Lew Hahn, of New York City, as president.

Then, too, many manufacturers are establishing exclusive selling agencies in many cities. These, of course, destroy the opportunity of the regular retailer to handle these standard products.

With such developments the slaughter of the independents has been tremendous. At least 300,000 independent dealers have gone down before such competition in the last eight years.

But that is not all, either. The Bureau of the Census has made a study of retailing in 11 selected cities. The report shows that 28 per cent of all the individually operated stores did an average weekly volume of only \$43. Forty-seven per cent of all these independent stores did a weekly volume of less than \$140.

That means that almost half of all the independent stores did a volume which means failure within a short time.

At that rate at least 500,000 independent retailers are on their way out of business, their places to be filled by units of nationwide combinations. It is a ghastly situation which confronts the business man who is termed the backbone of American business.

Of course, there are those who say there are many unnecessary retailers and they should be eliminated. I believe there are too many retailers, and the reason is because of lack of fair standards. Every man or woman, no matter what his previous occupation may have been, believes he can be a storekeeper. He enters the field and attempts to secure business. The favorite way to attract attention is to cut prices on standard goods. This means failure, and in the end he goes out of business, leaving debts and losses which must be absorbed by the community at large.

The adoption of a square-deal price policy will help greatly in getting the number of retailers to the most efficient basis. Surely that is a better way of securing the proper number than by jungle competition, which destroys the efficient with the inefficient. We should give the independent a chance to prove his ability to survive under honest methods. Let it be the survival of the fittest rather than the unfit, as is the case when unfair methods are the determining factor.

We are on the high road to monopoly merchandising. We are seeing in distribution the situation outlined by the United States Supreme Court in the field of production many years ago. In the United States against Freight Association case, decided in 1897, the Supreme Court said:

The result in any event is unfortunate for the country by depriving it of the service of a large number of small but independent dealers who were familiar with the business and who had spent their lives in it, and who supported themselves and their families from the small profits realized therein. Whether they be able to find other avenues to earn their livelihood is not so material, for it is not for the real prosperity of any country that such changes should occur which result in transferring an independent business man, the head of his establishment, small though it may be, into a mere servant or agent of a corporation for selling the commodities that he once manufactured or dealt in, having no voice in shaping the business policy of the company and bound to obey orders issued by others.

Could there be a truer picture of the situation in retailing than this judicial statement 30 years ago?

Are we going to continue to force efficient individual proprietors to go to work as employees of great chain corporations? Shall we extinguish their initiative and enterprise and make them cogs in mighty machines? Shall they be forced to look to New York City for orders as to what to sell and what to charge, how much to pay help, and whether or not they can deliver goods?

Not if I can help it. America needs the independent dealer whose only boss is the people he serves.

What is to happen if we continue the present process? After all the consolidations and mergers and destruction of independents, what then?

Well, you may be sure this Government can never tolerate monopoly in the sale of the necessities of life. The average American hates monopoly in any form, but there is no monopoly so menacing as that which controls the sale of food, clothing, and the things upon which life depends.

Inevitably the Government must master retail monopoly by fixing prices. To do that the Government must have a great

army of experts who shall be trained in values not only of products but of materials entering into them.

We have done that already with the railroads and public utilities. We have our Interstate Commerce Commission, our public service commissions, and the like to fix the rates the public must pay for these services.

But these are natural monopolies. There is waste and public loss in competition between railroads and gas companies and telephone companies. One trunk-line railroad will serve the public more efficiently and more cheaply than half a dozen competing units. One electric-light system in a city is better than a dozen, with their duplications and wastes.

The retailing business is not naturally monopolistic but naturally competitive. Mere bigness in retailing does not insure efficiency and economy; it may be a handicap where added expenses eat up all the advantages.

Still, while monopoly is not natural in retailing, it is possible, as no fair-minded person, facing the facts, can deny.

If we desire it, we should choose it intelligently and face the situation. We can not permit private monopoly in merchandising, and so we should prepare for Government regulation. We will never allow one or two men in New York City to fix the prices of everything we must buy, so we should train men qualified to fix fair prices for the public.

Unless we act that is where we will end. It would be amusing, if it were not so serious, to hear some of these would-be monopolists attack those of us who are defending the independent business men as friends of Government intervention in business. I have often been dubbed a socialist when I was fighting for fair and honest competition.

Mr. Chairman, I will tell them how to bring socialism. Let them continue building up their great retail trusts and driving independent business men out of their fields of service. Let them continue their unfair labor policies. Let them continue their cut-throat, destructive competition and fight all laws which would enforce fair competition. Let them develop their semimonopolies into monopoly.

They will make socialism inevitable. They are the ones who are forcing Government control of business. They join hands, in effect, with those who preach the philosophy that monopoly is an evolution and can not be prevented.

I do not believe that monopoly in retailing is certain to come through evolution. I will not believe it until fair and honest competition has been tried as a substitute for the present cut-throat brand. Further, I believe that the establishment and maintenance of fair competition in all business which is not naturally monopolistic is essential not only to our prosperity but to the security of American institutions.

We have not yet seen proof that there is any better regulation of fair prices than fair competition. Not yet has it been proved that we can not establish the conditions under which regulated competition will exert its proper influence.

The fundamental question is this: Is mere bigness in retail establishments sufficient to destroy the small competitor? Is efficiency and economy inherent in bigness? Have the big combinations won their way solely on account of superiority to the independents?

I contend that the properly conducted small store is the most efficient and economical method of distribution. There is a size beyond which advantages become disadvantages. The individual owner of a single store of this proper size can manage it more economically than hired clerks of far-away corporations. He eliminates wastes and leaks which go unnoted in great establishments.

The little retailer can do business on less cost than the great establishment. He pays less rent in proportion and many of his other expenses are less in proportion to sales. His clerks are all salesmen, not nonselling employees, as in the case of the large establishment.

Gorton James, Chief of the Commerce Division, Department of Commerce, recently said:

In what respects can the chain beat the old type of store when the latter is run on the new principles being evolved to-day? One element is claimed in cash selling, yet the economies of cash selling have been disputed. The cost of credit extension to retail customers is apparently a few tenths of 1 per cent. Certain cash stores report inventory shrinkages that mean losses greater than that. Thievery, careless handling, spoilage, and work under pressure of crowds add their mites. More retail selling time is required in a cash-and-carry store. Business comes in peak loads and the entire selling transaction must be finished at once. This adds to the congestion of the store. In a store which gives delivery service the order can be taken and set aside to be packed for delivery after the rush.

In a recent booklet dealing with retailing, put out by the Department of Commerce, Dr. Julius Klein says:

For certain types of business the big concern has an undoubted advantage over its smaller competitor. But in those lines of merchandising where success depends mainly on taking advantage of changing trade opportunities, close watchful contact with market conditions, and expert personal superintendence, the small operator has many advantages over the large establishment. * * * The resourcefulness and freedom of action of the individual will always go far toward offsetting the advantage of large-scale operations of the more complicated organizations. In fact, these characteristics are the most important factors in maintaining American business.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. SPROUL of Kansas. Would the gentleman from Pennsylvania tell us why the chain stores are doing such a large per cent of the retail business?

Mr. KELLY. I certainly will. First I will let Mr. Baxter, the chain-store research expert, answer that question and then I will give my answer. Mr. Baxter went into that very question at length at the Waldorf Astoria meeting, and I have the transcript of his statements right here. I quoted where he said that "certain forces" had brought chain-store success after 1920. Let him explain what they were. He says:

In the first place the general level of prices had been rising from 1897 to 1920. From 1920 on it was evident that there would be a period of declining prices. During a period of rising prices the average consumer can afford to have service. During a period of declining prices the great middle classes' income is hurt and they must forego service. At that time the people who heretofore were ashamed of being seen in chain grocery or shoe stores, found they had to patronize these stores.

That is interesting. It was stark necessity and bitter privation which forced the public to deprive themselves of the service they really desired. Since they must forego service, they had to endure the humiliation of being seen in chain stores.

But Mr. Baxter has figures to prove the terrible position of the American consumer. He says:

The income of the middle-class family was cut approximately 50 per cent from 1914 to 1920 and prices had not declined in any such proportion.

That is a startling assertion and is certainly something new in statistics. The Bureau of Labor Statistics in the Department of Labor is furnished funds to secure information on such subjects. I have been personally informed by that bureau that their official reports show that wages of all classes between 1914 and 1920 increased 129 per cent.

Instead of a decrease of 50 per cent there was an increase of 129 per cent in the income of forty million and more Americans who make up the great mass of consumers. In the main, all incomes increased greatly between 1914 and 1920 and, of course, the average income to-day is tremendously higher than the average income in 1914. Perhaps the expert refers to the income of the retailers who have been displaced by the chain stores, but since most of them are now working as clerks in the chain stores, he would not press that argument. In any case, he must give us a better reason for the growth of chain stores than decreased income between 1914 and 1920. And he has other reasons. He says:

Another factor that we can not afford to overlook is the fact that the character of the American family changed from 1890 to 1905. That is, prior to that time, the great majority of people or families in the country were of English-speaking descent. From 1905 to 1920 we had a tremendous amount of immigration which finally resulted in a law being passed in 1920 prohibiting further excessive immigration. Now, I don't think that if we had to-day in this country people to the amount of 90 per cent of English descent that we would ever have had chain stores to the extent we have. One has only to pass through any department store to see that the average American to-day is not as intelligent as the American of 10, 20, or 30 years ago.

Can it be possible that this is the great chain-store expert putting up an argument for chain stores. Yet that is what he said in his public address. We have been told of the efficiency and scientific superiority of the chain-store system. It was said to be the last word in high-power distribution, winning on its appeal to intelligent consumers.

Now, we learn that it depends on lack of intelligence. If the public is actually so ignorant there is all the more reason for their protection. The only proof of their ignorance is that they think a 9-cent saving on a standard article is enough to justify a 90-cent hold-up on unnamed goods. I am much afraid that the chain stores that pay the experts salaries will not appreciate such arguments as these.

Mr. Baxter gives as the third reason for the success of the chain stores the fact that they are perfecting distribution. He points out a chain clothing system which manufactures its own goods and sells clothing at uniform prices of \$22.50 and \$27.50. He says:

You eliminate the clothing manufacture at the same time you eliminate the salesmen of the clothing manufacturer. Then you have your own retail stores. So you eliminate two or three profits, in that way getting the product from the factory to consumer at a low price.

Is that perfecting the system of distribution? If it is, every manufacturer must have his own retail stores or every retail-store system must manufacture its own goods.

What will happen to prices when 50 clothing manufacturers adopt this perfect system?

All the costs must go on one brand, instead of being distributed over many as in the regular retail store. It is the most cumbersome and expensive system of distribution and is only used by manufacturers when it is needed in order to protect the standard price.

Mr. Baxter declares that this clothing-store system has a uniform price. His argument means that this chain succeeds because it can use through ownership the right to control the price, which is denied to independents through contract.

Here is a direct conflict within the ranks of his own chain organizations. If food manufacturers sell through their own agencies, where will the A. & P. stores be? If the makers of medicines distribute direct, what will happen to the drug chains?

No; this reason, most assuredly, will not account for the tremendous growth of retail chain stores. It is only a clear-cut invitation to the manufacturer to eliminate the wholesaler and retailer entirely. The maker of goods is told that he can protect his standard goods from price cutters by establishing stores everywhere.

Arthur Brisbane in one of his syndicated columns was many months ahead of Mr. Baxter with this suggestion. He said:

Isn't it time for owners of important national brands to have their own chain stores?

The public, of course, will pay the bill for such a system with its duplications and heavy overhead costs. The independent retailer will be destroyed by such a system just as surely as by distribution chains.

I do not want to see the retailing business monopolized by manufacturers. And it is only common sense to enable the makers of standard goods to use the established and efficient system of distribution and yet protect themselves against piratical price cutting.

Mr. Chairman, we will have to go still further with Mr. Baxter if we are to learn the real reason for chain-store growth. He has a fourth reason. Here is what he says:

It is practically impossible for an independent retailer to-day to lease for a period of 30 or 40 years a store in a building like the Paramount, where the rent will be \$100,000 a year.

In other words, the ability to pay enormous rentals is the reason for chain-store success. What becomes of the economy of the chain-store systems? Certainly the unit that pays \$100,000 for rent must get it back from the customers. Certainly in such a store, if some standard articles are sold below actual cost, there must be a mammoth mark up on other goods.

A store in the Paramount is not this problem at all. It is the store in the home neighborhood, serving the people of the home community. Willingness and ability to pay high rent is not the reason for the success of chain stores under such conditions. It is only proof that in the long run prices must be higher to cover the added expense.

Mr. Baxter gives still another reason. For his fifth point he enunciates the following:

People want to get their goods and don't want to take the time for service necessary in an independent store.

That is a curious argument. Does the average housewife go to a chain store and wait in line with her basket on her arm simply because she is a worshiper of speed? Would she not count it a speedier method to telephone in her order? Mr. Baxter had already admitted that she foregoes such service only under duress of circumstances.

The fact is, she has been made to believe that she will save money by the slower, more vexing methods which accompany the no-service policy of the chain stores. We must have more convincing reasons for chain-store success than speed.

Mr. Baxter himself is not satisfied with these five reasons. He starts all over again from the beginning. He says:

The most important thing is what we call the appeal to the eye. The chain store believes that its first duty is to get the customer into

the store, and to do that you have to use modern art to the limit in the exterior and interior of the store.

Is it possible that this all-conquering system of economical and efficient distribution of goods to the homes of the people is down at last to "an appeal to the eye"?

All of us like an appeal to the eye occasionally, but few of us figure that it saves us money. That is supposed to be the real mission of the chain stores. If, as Mr. Baxter says, there is a feeling of shame in being seen in a chain store, there should be something more substantial than an "appeal to the eye" to pay for the ordeal.

He goes on to say that in the Fanny Farmer stores the appearance counts for 50 per cent. In the grocery business Mr. Bohak builds his success on the fact that every clerk must have a fresh white coat every day, while the interior and exterior of the store must be painted once or twice a year. Mr. Baxter says that he can tell from the use of electricity alone which are the chain stores and which are the independents. They do not make the "appeal to the eye," which he explains is counted so important by some chains that they will spend \$750,000 for it in one store.

Of course, that regard for beauty is fine. I would like to see every store as beautiful as the Capitol. But would it help to distribute the necessary things of life on a more economical basis? Who pays for that \$750,000 appeal to the eye? The consumer, of course, and the cost certainly does not bring down the price of bread and meat.

Then Mr. Baxter gives as another reason for chain-store success the fact that they specialize. They do not carry so many lines of goods. They hire specialized clerks, who do one thing and keep on doing it. They can have specialized window dressers and other specialists which the independent can not have. He would have us believe that they utilize energy like the foreman on a building job when a workman told him he was trembling all over and could not carry bricks. "Well, get busy with the sieve," said the boss.

But to cap the argument of specialized work, Mr. Baxter points out that chain grocery stores bake their own bread and slaughter their own meats. That argument kills itself. The chain store is a specialized business for selling goods. When it becomes a bakery and a slaughterhouse it is no longer a specialist at all.

Mr. Chairman, not a thing I have quoted gives any reason for the success of the chain stores.

The one legitimate reason for success Mr. Baxter gives up without an effort. He says:

They haven't been successful due to prices;
They haven't been successful due to buying.

I will have to make that argument for the chain stores myself. They have a decided advantage in being able to buy in large quantities at lower prices.

Still it is not an all-conquering advantage. The cost of the capital invested, insurance, warehouse storage, handling, and so forth, must be counted as part of the cost, and this helps to even things for the independent.

Nor does buying for less always mean efficiency. It often means mercilessly beating producers into less than fair prices. It means exactions and special rates and discounts which injure the producer. It means lower wages for labor and lessened consuming power. It means that workers may be thrown out of employment with every lowered demand.

There is a vast difference between real economic superiority and the counterfeit superiority which is only superiority in bargaining power. If through any power producers are forced to sell honest goods at less than a fair price, the loss is borne by the public in the end.

I maintain that combination, even with this bargaining power, can not alone put the efficient retailer out of business. Putting a vast number of retail stores together does not mean that each will make added profit. The independents can combine for purchasing goods and meet this factor successfully. If we are to have unified buying let us have it by cooperation and not by a trust.

We are not decrying big business in retailing. We are not opposing chain stores. We are only insisting that if they grow great they must meet the test of honest service and win by fair and honest methods.

We do not challenge what they make
We only challenge what they take.

If these huge combinations can succeed through fair competition, I am for them. But if they flourish through unfair methods it is the duty of every man to help end such methods.

We asked Mr. Baxter to explain chain-store success. He devoted a great part of his address to reasons which are not

the real reasons. The independent dealer can meet the appeal to the eye, and the specialization and the advantages in buying and all the rest.

But he can not meet the huge combination of capital in retailing when unfair competition is used as a weapon against him.

Very casually, and as a kind of afterthought in his address, Mr. Baxter gives what, to my mind, is the real reason for much of the success of these great combinations. He says:

To me there isn't any question as to the advisability of any retail store if it can sell some nationally known product at cost to get the crowd. * * * A consumer will go to a grocery store and she is willing to pay 55 cents for steak, whereas it might be sold for 52 or 50 cents elsewhere, if she at the same time can purchase Campbell's soup or some other package goods at cost. * * * Scientific retailing means studying the blind articles in the store and selling them at full prices. But what we call open articles, the ones that the consumer can go from store to store and compare, selling them at low prices.

Now, Mr. Chairman, we are coming to the crux of the question. Here is a game which combination can best play. It can lose more money on standard goods and it has greater opportunity to recoup on blind articles. It can depress prices in a store or group of stores until it eliminates competition in that territory. Then it can raise prices there and depress them elsewhere to carry out the same purpose. It makes certain of its profits as a whole all the time. When it has the field to itself it holds the public at its mercy.

The independent, with his single establishment, can not meet this unfair competition, no matter how efficient he may be. When a chain competes in this fashion against a chain the result is a merger; against an independent dealer the result is destruction. It is unworthy of American business and must be ended.

It is a misnomer to call such a system "scientific retailing." It is rascally retailing. Its foundation is fraud. The blind articles are to be sold at full price! What is a blind article? Webster says a blind is "something to mislead one, or to conceal a covert design; a subterfuge." These articles are well named. They are sold at full price. But there is no price on these blind articles. They are unnamed and unstandardized. Therefore the sky is the limit in fixing the full price. Full price on them simply means the highest price that can be extorted from the buyer.

That is not scientific retailing. It is the oldest system of merchandising in the world, the haggle and barter plan, which led to the maxim, "Let the buyer beware." Justice-loving men have been trying to get away from it all through the years. And the greatest advance ever made was the trade-mark, with its identification and its guarantee; its standard quality and its one price to all.

But this falsely called "scientific retailing" has only one use for these honestly made and priced products. They are to be used as bait to delude innocent purchasers. Bait means anything used on a hook, or in a snare, trap, or the like, to allure. The standard article is slashed below actual cost and dangled beneath the customer's eye. Its character is then defamed and something just as good is urged. Unnamed blind articles are sold and the "full price" taken out of the customer's pocket.

Mr. Chairman, that is exactly the kind of merchandising which was denounced by President-elect Hoover when he was United States Food Administrator during the World War.

He met this deceptive scheme by the following official announcement issued by the United States Food Administration in 1918:

All but a small percentage of dealers in food commodities advertise and sell their products fairly. Neither their statements concerning their goods nor the prices named are misleading. They do not cajole their customers by giving the impression that \$1 worth of goods is sold for 69 cents, for the days of gold-bricking an intelligent public have passed. One's money's worth, no more—no less—is offered, and on such a basis of honesty is permanent business founded.

However, in the grocery business, as in all other lines of business, there are a few black sheep. There is the very small minority that "sells at less than cost"—that is in business for philanthropic purposes! The present sugar shortage brought to light a number of interesting cases of unfair practices through the use of combination sales; that it was necessary to buy various other food commodities in order to obtain sugar.

Many of these combination sales offered sugar at less than its actual cost, but the cost of the other food commodities was increased sufficiently to make up the loss on sugar and at the same time allow a profit.

Many combination lots which included sugar were fair to the consumer, but in order to eliminate the operation of the few dealers who

would take advantage of the situation the Food Administration abolished all combination selling except sugar with corn meal.

This combination selling was a deceptive, price-cutting-one-article device. It is exactly the same plan used by a predatory price cutter, when he slashes the price of a standard, identified article with a universally accepted price. He expects to sell the customer other goods at excessive prices to cover the loss on the cut-price leader.

Mr. Chairman, it is that system which is in large degree responsible for the slaughter of independent retailers. In the face of the facts, is it not ridiculous to say that if manufacturers have the right to control the price of his standard product, the retailer will become only an animated nicker-in-the-slot machine handing goods out over a counter?

Even if it were true, it would be better for him to serve his own community as an independent, taxpaying business man on his own, rather than as a hired man in a chain system. You can be sure that in a job behind the counter of some giant department store or unit of a chain, he will not have a chance to worry about the difference between a manufacturer's agent and a chain-store agent.

But it is not true. Given the right of free contract, the retailer will be eagerly sought by the maker of goods. The retailer can select any one of a dozen competing brands. He will choose the contract he signs. The goods must be right in quality and price or the dealer will not handle them. With fair merchandising methods, the independent retailer will not be a manufacturer's agent but the agent of the buying public he serves.

The price-cutting system on standard goods is turning independent, individual proprietors into hired servants of great corporations. It is destroying competition.

Texas has a law which provides that—

if any person engaged in the sale of any article, shall with the intent of driving out competition or financially injuring competition, sell at less than the cost of the product, or give away products, said person, resorting to this method of securing a monopoly, shall be deemed guilty of conspiracy.

That is a worthy act. Is it not an absurdity that if independent retailers endeavor to cooperate with the makers of goods to prevent the action deemed criminal by the Texas statute, they are liable to prosecution and imprisonment under the judicial interpretation of the Sherman antitrust law.

There may be differences of opinion as to the amount of profit which is right, but one thing is certain; the right price of an article will not be below its actual cost. When any concern sells goods, in the regular course of business, below cost, you may be sure somebody is being defrauded.

If a clerk in a chain grocery-store system sells goods without express orders below cost or gives them away he is liable to the company for the loss. It should be just as sure in law that if the chain-store system itself sells goods below cost for ulterior purposes and to the injury of competitors it should be responsible for the loss occasioned.

I do not ask any favors or unfair advantages for the independent retail dealer. If he can not manage his store as capably as the great department stores or the chain-store systems let him fail. If he can not meet the fair competition of any rival, great or small, let him disappear and leave room for more efficient business.

But I do protest against his destruction by trade pirates. He has a right to protect himself against President-elect Hoover's triumvirate of evils—"unjust competition, domination, and predatory business." No combination of capital should have the right to bankrupt him through deceptive, dishonest business methods.

Now, Mr. Chairman, how is the independent wholesale merchant affected by the predatory price cutter?

He is an important factor in distribution. It is an absurdity to claim that the wholesaler's work can be done without cost by some sleight-of-hand performance on the part of either manufacturer or retail combination. His value is a long-established economic fact.

He collects the products of many manufacturers under one roof and holds them in readiness for shipment in small quantities to the retailers. If every manufacturer tried to sell direct to the retailers it would block the railroads of the country within a week. If the retailers were forced to buy their goods from individual manufacturers they would have no time to sell goods to the public.

In the first place, the manufacturer of standard goods desires to distribute his goods through the wholesaler for he knows it is the most economical system. However, it is just as important that the manufacturer be able to prevent his products being made a football by the price cutter. Juggling of his

prices means the loss of public confidence and the good will which is the most valuable asset of his business.

The Supreme Court decisions have pointed out to all manufacturers that they may control their prices if they sell direct to the consumers. This is a direct invitation to adopt that method and more and more manufacturers are being forced to embark upon the direct merchandising of their products.

That eliminates the wholesaler, even though it does not eliminate the cost of the functions performed by the wholesaler. The manufacturer must establish not only his own retail stores but must also have warehouses and branch offices in strategic locations. It is the most expensive system of distribution, and the destruction of the wholesaler has no compensations in reduced prices to the consumer.

Suppose the manufacturer decides to sell direct to the retailer and exercise his right to refuse to sell to price cutters. He must then have his own force of salesmen to take the place of those of the wholesaler. The expense goes on one line, not a hundred. He must extend credit to a vast number of retailers instead of a few wholesalers. He must ship in very small lots instead of carload lots.

Such a situation confronts the independent wholesalers because the maker of branded goods can not enter into contract for the control of fair prices.

The attack on the other side is just as menacing. Chain stores eliminate the wholesaler also. They have their great warehouses and the investment in large quantities of goods. They, too, must deliver in small lots to the various units.

But if they succeed in putting the independent retailer out of business they insure the doom of the wholesaler.

The growth of chain stores has resulted in the destruction of a vast number of wholesale houses which have had a part in the upbuilding of many communities. They have been left as wrecks along the pathway of centralized merchandising.

Others as a defensive movement have joined in mergers, thus losing the identity which had been built up through years of service. Just one instance is the McKesson & Robbins merger of 16 wholesale drug houses. The firms involved are located in Mobile, Ala.; Burlington and Cedar Rapids, Iowa; Peoria, Ill.; Omaha, Nebr.; Boston; Detroit; Kansas City; Chicago; Albany, Troy, Syracuse, Rochester, Buffalo, N. Y.; Cleveland; Sacramento, San Francisco, Fresno, and Oakland, Calif.; Minneapolis; Columbia, S. C.; New York; Bridgeport, Conn.; Newark, N. J.; Houston, Tex.; Los Angeles and San Diego, Calif.; and Phoenix, Ariz.

When this merger was made in August, 1928, it was officially announced that it was due to the necessity of a strong central organization to protect the interests of the independent druggist against chain systems.

This organization is not affiliated directly or indirectly with any chain-store system—

Said the announcement—

and its aim is to be an organization of druggists for and in the interest of independent retail druggists in the territory that it will serve. * * * The continued growth and expansion of chains, from local groups to chains of State and national extent, is creating problems of great concern to the manufacturer, the independent retailer, and the wholesaler.

Such a merger is forced because of chain stores. It is a merger none the less and adds still more to the problem of centralized business.

Just this morning I received a statement that Arbuckles & Co., one of the oldest wholesale firms of the United States, located in Pittsburgh, will discontinue business on February 1. This concern, through its coffee and other products, established a name which was a household word for several generations. Its good will, built up through years of honest and faithful service, was its most valuable asset. That has been destroyed and much of the damage was done by unfair competition.

Hundreds of employees are thrown out of employment and the opportunity to give efficient and economical service to hundreds of retail merchants has been taken away.

What is to be the end of the process? Is the great business of distribution to be concentrated in a few hands until the doors of opportunity are to be closed to all save a few?

Then, what is the effect of predatory price cutting upon the maker of trade-marked, identified goods?

The independent, smaller manufacturer is the victim of this unfair competition. The great concern, with unlimited capital can protect itself and its products in legal fashion. It establishes its own retail agencies and maintains its price or it consigns its goods to the retailer and maintains its price. Henry Ford and the General Electric Co. are instances of these two methods.

But the little, independent maker of standard quality goods is helpless. He knows that the good will of the public is his most valuable asset and his whole effort is made to win it. He builds on good quality and fair price. If the quality is lacking, all the advertising in the world will not make a continuous market for his goods. If the price is too high the public will not buy.

He must make good goods and he must invest money in letting the public know he makes them. He must convince people that they need his goods and must get them distributed economically and efficiently. He must persuade the public to prefer his goods to anything of a similar nature.

When he puts his name and brand on his product, this independent manufacturer stakes everything upon public approval. He guarantees his article and takes full responsibility for it. He stands back of every unit just as he would a certified check. He must make good with the ultimate consumer and he must use the wholesaler and retailer in his distribution.

The independent manufacturer of a trade-marked article spends time and money and effort to build up a good name, and that investment in good will is the security of the public for the maker is bound to maintain the quality of his goods.

Then, is not the price, that other factor in good will, just as important? The manufacturer of this distinctive article is just as much concerned that it sell always at the same price as the retailer is that his customers do not believe that he is selling the same article at different prices to different customers on the same day.

Faith in the established price is a vital element in good will.

When a predatory price cutter takes that standard, publicly approved article, and advertises it at less than cost to himself, he strikes a deadly blow at the good will of the manufacturer. The public believes that the standard price was excessive. Other dealers are incensed against an article which is slashed for the deception of their customers. The market is destroyed and the manufacturer under present conditions must sit silent in the face of such piracy.

If he sells through wholesalers, the price cutters can always get the goods from some wholesaler or even some retailer.

If he sells direct to retailers he can refuse to sell to the price cutter, but as soon as he is cut off the price cutter gets the goods through other channels and continues the game.

There is no theory about it to the independent manufacturer, but a tragic condition. The Ingersoll dollar watch made splendid bait for the predatory price cutters, and it was cut as low as 59 cents. Retailers who believed in mutual profit sales refused to handle this article at less than the standard price of \$1, because there was no profit in it and they did not desire to cheat their customers by charging extortionate prices on unmarked goods. This predatory system of business was responsible, more than anything else, for the destruction of the Ingersoll Watch Co.

The cigar business is another example. The chain cigar stores used manufacturers' brands as bait. The public believed they were getting bargains and patronized these stores. As the cut-price brands were money losers, they were dropped one by one and replaced by the unknown brands. The makers of publicly approved and widely wanted brands were destroyed.

Such a system restrains trade, for many retailers refuse to handle goods which are used as footfalls. Perhaps the manufacturer tries to deal with the price cutter by selling only one retail store in a city. That curtails the volume of their sales for there are always many persons who go into one store but will not go into others.

The whole price-cutting system is competition run mad. It forces the standard article to compete against itself. Not only is the manufacturer faced with competition from a hundred other concerns making similar goods, but he must also compete with himself to his own destruction.

The Supreme Court of the State of Washington pointed out the evils in such competition when it said:

The true competition is between rival articles, a competition in excellence which can never be maintained if, through the perfidy of the retailer who cuts prices for his own ulterior purposes, the manufacturer is forced to compete with goods of his own production, while the retailer recoups his losses on the cut prices by the sale of other goods at or above their reasonable price. Fixing the price on all brands of high-grade flour is a very different thing from fixing the price on one brand of high-grade flour. The one means destruction of all competition and of all incentive to increased excellence. The other means heightened competition and intensified incentive to increased excellence.

The competition here referred to means the lowest price possible for the standard article but it will be a uniform price. Henry Ford has forever exploded the old business delusion that high prices mean big profits. Here is what he says:

My policy is to reduce the price, extend the operations, and improve the article. I have never considered any costs as fixed. Therefore I first reduce the price to a point where I believe most sales will result. Then we go ahead and try to make the price. The new price forces the costs down. One of the ways of discovering what a cost ought to be is to name a price so low as to force everybody in the plant to the highest point of efficiency. The low price makes everybody dig for profits.

Anyone who thinks that a wild theory might review the record of the Ford Motor Co., conducted strictly on the standard-price basis. Ford has steadily reduced the cost to the public, increased the quality, and reaped a harvest of greater profit.

I want to see the little independent manufacturer given the same opportunity as Henry Ford. Safeguard him against the unfair competition of predatory business and he will do exactly as Ford has done—increase standard quality and decrease standard price.

Because he has no right to protect himself he is being injured without recourse.

The income-tax returns for 1925 show that 95 manufacturing concerns had net incomes of over \$5,000,000. That is less than one-ninth of 1 per cent of the entire number; but they made 44½ per cent of all the profits made; 99 per cent of the entire number suffered an 11 per cent reduction in income over 1923; two out of every five showed an actual loss.

It is believed that 1928 will show a still greater concentration of profit. What that means is better understood by the fact that three-quarters of the 89,000 manufacturing concerns reporting are small concerns, with less than 20 employees.

Is it any wonder there are mergers and consolidations? Cut-throat competition, forced by interpretation of the antitrust laws, have led to combination and monopoly.

Already there have been consolidations which have put many nationally known products under one corporate ownership. Most of these manufacturers had created a position for themselves which was distinctive. They did not lose their identity through merger from their own choice. Their robust self-reliance was undermined by cut-throat competition.

Mr. Chairman, it is said that if legislation is passed which will permit the enforcement of standard prices for standard goods the huge selling combinations will sell only their own private brands.

That is a fair proposition. Let these retail combinations have all the private brands they wish. But they must be responsible for them and sell them on their merits. The present system is to use the good will of a national brand as bait. They can not do that with private brands, but will be compelled to use their own good will.

It is predatory business to use nationally-known brands in order to gain the confidence of customers, and then betray that confidence by the substitution of private brands. Yet that is exactly what is done.

Percy F. Straus, of Macy & Co. department stores, was chief opponent of the Capper-Kelly bill at the hearings before the congressional committee.

He stated that his stores would make more money if the bill went through, but he was opposed to it. He explained his generous disregard of increased profits by saying:

We make goods under our own brands. If nationally advertised brands are sold at uniform prices, in self-protection the prices of our own brands must go up.

Now, why should that follow? Why should they not lower their prices and take over the business of the nationally advertised brands? Or why not increase quantity and quality to compensate for the increased price?

Mr. Straus gave figures as to how it works. For instance, Nujol costs 57 cents and is sold for 54 cents, a net loss of 3 cents, or 5 per cent of the price.

But the Macy brand only costs 32 cents and sells for 54 cents, a profit of 41 per cent.

Royal Baking Powder costs 37 cents and sells for 42 cents, a profit of 12 per cent. The Macy brand costs 19 cents and sells for 40 cents, a profit of 52 per cent.

It costs them around 30 per cent of sales to do business. They lose 35 per cent on Nujol and 18 per cent on Royal Baking Powder. But they make a net profit of 11 per cent and 22 per cent on their own brands.

The sale of these private brands is largely possible because of the nationally known brands. If these selling companies are compelled to build up their own good will, they will find it a different proposition, and that is why they oppose the measure for self-protection of trade-marked goods.

To cut the price on standard goods is simply appropriating the good will of manufacturers who have built it up by loyalty to the public and their best interests.

The State of New Jersey recognizes that fact in its law against unfair competition. It is as follows:

It shall be unlawful for any merchant, firm, or corporation to appropriate for his or their own use a name, brand, trade-mark, reputation, or good will of any maker in whose product said merchant, firm, or corporation deals, or to discriminate against the same by depreciating the value of such products in the public mind, or by misrepresentation as to value or quality, or by price inducement, or by unfair discrimination between buyers, or in any other manner whatsoever, except in cases where said goods do not carry any notice prohibiting such practice, and except in case of a receiver's sale, or a sale by a concern going out of business. (L., 1913, c. 210, p. 377; as amended, L., 1915, c. 376, p. 704; L., 1916, c. 107, p. 235.)

Mr. Chairman, the independent manufacturer of standard goods does not fear the competition of private brands. In fact, it is altogether likely that the retail combinations which have gone into the manufacturing business are finding it unprofitable.

One of the large grocery chains recently advertised the sale of stock in its concern. One of the paragraphs of the advertisement was as follows:

The company has developed the manufacture and packing of a variety of food products, with an established and growing consumer demand for its brands as a basis. These activities include the manufacture of preserves, jellies, mayonnaise, extracts, catsup, ammonia and similar products, the packaging of tea, rice, cornstarch, vinegar, etc., the roasting of coffee, the canning of vegetables and fruits, the baking of bread and cake. During 1928 a wholly owned subsidiary was organized to acquire a large plant for evaporating milk, located at Neillsville, Wis.

All of the company's seven warehouses, seven bakeries, and manufacturing and packaging and packing plants, are owned in fee, either by the company or by its wholly owned subsidiaries, with certain insignificant exceptions.

In the financial statement it was shown that this manufacturing activity was not increasing profits. In 1926, with 1,983 stores, they did a business of \$116,902,000 and earned a profit of \$7,775,000.

In 1927, with 2,133 stores, they did a business of \$120,664,000 but they only earned \$6,749,000.

In other words, with an additional business of \$3,500,000, the profits were less by \$1,026,000.

Let such competition flourish and let all goods be sold on their own merits. Permission to establish a standard price will not lessen fair competition, but increase it. We are simply trying to restrain piracy and give honest merchantmen on the high seas of commerce a square deal.

Mr. Chairman, the public pays the bill for unfair competition in one form or another. The destruction of independent retailers, wholesalers, and manufacturers by unjust practices injures the consumers, who are helpless before monopoly.

Saving a few cents through a bargain rate on standard goods is of no value when dollars are taken from the consumer through excessive prices on unknown goods.

Under standard price contracts the consumer will pay less for standard goods than he does to-day under the cut-price system. Now, the manufacturer must provide against the price cutter and names his price accordingly. Give him power to enforce a uniform price and he will name the lowest price possible, the one at which the article will be sold.

The fair-trade system will make the public the judge and jury. The high court of public opinion will determine the success or failure of a product. It will not depend upon the juggling of prices by those who have no interest in the product.

Above all, public policy demands freedom of opportunity for men to enter into business for themselves. America has become great because every mother's son of us had a fair chance to enter independent business.

If present conditions continue we must accept the transformation of our land of opportunity into a land of hired men, with workers known as numbers, not as individuals.

No matter what brilliant careers and high salaries may be offered for executives in these great merchandising corporations, it will mean for the great mass of Americans only a servile place, without a chance for the exercise of initiative and independent effort.

The issue involved is old; it only wears a new face. America has always stood for the development of the man through equal and fair opportunities; she must not fail in this testing time.

Mr. Chairman, the mission of America is to-day exactly what the immortal Abraham Lincoln defined it to be in his day, a nation built—

to preserve in the world that form and substance of government, the object of which is to remove the obstacles from the pathway of all; to

open the avenues of honorable employment to all, and to give all an unfettered start and a fair chance in the race of life.

The measure which I am advocating here is in line with that high ideal, for it aims to prevent unfair competition and to give a fair chance and a square deal to those engaged in independent business to-day and those who desire to enter it to-morrow. [Applause.]

Mr. WASON. Mr. Chairman, I yield 25 minutes to the gentleman from Kentucky [Mr. ROBSON]. [Applause.]

The CHAIRMAN. The gentleman from New Hampshire has only 17 minutes remaining, according to the timekeeper.

Mr. WASON. We had three hours. It is not 2 o'clock, and the House did not meet until 12 o'clock.

The CHAIRMAN. One hour and a half on each side.

Mr. WASON. The gentleman from New York and myself have an understanding.

The CHAIRMAN. The gentleman from New York, according to the timekeeper, has 1 hour and 19 minutes and the gentleman from New Hampshire has 17 minutes.

Mr. WASON. The gentleman from New York has yielded me some time. We have an understanding.

The CHAIRMAN. The gentleman should convey the understanding to the Chair.

Mr. CULLEN. Mr. Chairman, I yield the gentleman from New Hampshire one-half hour.

The CHAIRMAN. Then the gentleman from Kentucky is recognized for 25 minutes.

Mr. ROBSON of Kentucky. Mr. Chairman and colleagues, in the last appropriation bill for the independent offices I offered an amendment to add \$1,000,000 to be used by the Shipping Board to recondition ships and pay the loss resulting from the shipping of American coal to foreign ports. This amendment was adopted by the House and Senate. This \$1,000,000 was appropriated for the fiscal year ending June 30, 1929.

During the holidays a number of representatives of the coal industry and I appeared before the subcommittee and urged that an additional appropriation of \$1,500,000 be granted for the same purpose for the fiscal year ending June 30, 1930, and urged that the unexpended balance of about \$400,000 of the \$1,000,000 appropriated be reappropriated, so that this will give for this service for the fiscal year ending June 30, 1930, \$1,900,000.

The subcommittee before which we appeared made a unanimous favorable report, and it has been included in this bill by the full Appropriations Committee.

NECESSITY AND VALUE OF POLICY

I wish to talk to you about the necessity of this policy and its value to our country. The pressing problem in this country for some years has been and is now, and the problem that will become more pressing as the years come and go, is how we may dispose of the surplus of American products. We are producing a surplus on the farm, and hence the distress in agriculture. We are producing a surplus in the factories, causing unemployment in these industries. We are likewise producing a surplus in the forests and in the mines of America.

In order to take care of this surplus we must not only enlarge our home markets but also enlarge our foreign markets. Congress has been promoting our merchant marine policy. Our Government ships, our merchant marine, have been handling the products from the farm, the factory, and the forests of this country, but until recently they have carried but very little soft coal. There is no good reason why this discrimination should have been practiced at any time against the soft-coal industry, and there is certainly no good reason why this discrimination should continue in the future.

A GREAT INDUSTRY

The coal mines of this country, with their equipment, are worth more than \$6,000,000,000. The other coal to which no equipment has been attached is estimated to be worth more than \$5,000,000,000, so that the investment in our coal industry is in the neighborhood of \$11,000,000,000 or \$12,000,000,000. About 600,000 men and their families daily depend directly upon the soft-coal industry for their livelihood.

Soft coal is produced in commercial quantities in more than 30 States. Almost the entire Nation depends upon it for power, heat, and light. Some of our most valuable medicines, our finest dyes, our most beautiful colors, and most of our explosives come from coal. It is one of the great key industries and one of the strong arms of our national defense.

SOFT-COAL INDUSTRY IN DISTRESS

During the recent campaign President-elect Hoover pointed out in his speech of acceptance and in other addresses that agriculture, the textile manufacturers, and the bituminous-coal industry were in distress, were not prosperous.

I realize the distress in agriculture and in the textile industry. I have always fought for those measures that the farmers of the country and their advisers felt would relieve them of their distress and I shall continue to give to agriculture my full, earnest, and active support. I am likewise concerned about the textile industry of our country. It is the hope that in the extra session of Congress we may pass a measure that will greatly benefit agriculture and by proper tariff schedules aid the textile industry.

In my humble judgment the soft-coal industry of this country is in more distress to-day than either agriculture or textiles. The soft-coal mines on an average are idle about half the time, the miners are employed on an average not more than three days per week. Thousands of them and their families are in distress and can not provide for themselves as American citizens should be provided for. While the mines are idle overhead charges go on every day. Many well-equipped mines with the very best coal available and under efficient management in Kentucky as well as in other States of the Union are being forced into the hands of receivers and into bankruptcy.

Congress and the Federal Government should direct its attention and its active cooperation for the next four years to bring relief to these three industries that are now suffering. We have the coal mines, we have the best coal in the world, we have thousands of trained, experienced, honest, industrious, idle miners; we have ample railroad facilities and ample railroad workers to take care of this industry, and I wish to bring to the attention of the House what I consider sound economic suggestions of relief.

GREAT BRITAIN OUR COMPETITOR

About the only competitor we have in the soft-coal industry is Great Britain. Great Britain produces annually about 240,000,000 tons of soft coal, while we produce and consume in this country in the neighborhood of 500,000,000 tons of soft coal every year. We have two very important advantages over Great Britain. American coal is the best coal in the world. Consumers want American coal because of its high quality. We realize that, under present conditions, our miners do not receive as much pay as they ought to receive. I have heard a great many operators in my own district so express themselves, yet on the other hand American miners receive nearly three times as much pay as the miners of Great Britain.

Notwithstanding we pay much better wages, we produce soft coal in this country \$1.50 per ton cheaper than it is produced in Great Britain. Now we have a better coal and the cost is \$1.50 per ton less here than in Great Britain. Why is it that American coal has been kept out of the foreign markets?

RAIL AND WATER RATES

Under present railroad rates, we must pay about \$2.50 per ton to get our coal to the seaports, while in Great Britain the rates are not over 70 cents per ton to the British ports, and, furthermore, England has subsidized her merchant ships, and this gives British ships an advantage over American ships.

We built a great many ships during the war. We now have several hundred of these ships owned by the Government tied up in the various bays and harbors of our country, deteriorating and becoming worthless. About 250 of these would be suitable for carrying coal.

The purpose of the \$1,000,000 carried in the last bill and the \$1,500,000 carried in this bill is to recondition these ships and put them in the coal-carrying trade and pay whatever loss may be sustained in competing with Great Britain in shipping coal to foreign ports.

Six ships have been put into condition or are being reconditioned. Two of these have already been loaded with American coal and have sailed to foreign ports, and we feel that with this additional money before June 30, 1930, between 20 and 30 ships may be reconditioned and put into service.

Some have objected to this movement on the ground that the Government will lose some money on each shipment. This is true. During the fiscal year ending June 30, 1928, our merchant marine under the Shipping Board handled about 8,500,000 tons of farm, factory, and forest products, and the loss was something like \$14,000,000. It will be observed that for every ton of products shipped from the farm, the factory, and the forest we lost on an average about \$1.67.

The loss on our coal shipments will not amount to that much. The statement of the representatives of the Shipping Board about the loss on coal is not correct. At the time they made these statements no coal ship had made a round trip. Each ship that carries coal to foreign ports will, whenever possible, return loaded. The first coal ship that we sent out has secured a return cargo, and the loss on this shipment of coal to the Government will be considerably less than a dollar per ton. The

Shipping Board estimated the loss at \$13,000 on this ship, but they do not take into consideration that this ship is coming back loaded with 5,000 tons of ore at the rate of \$2 per ton.

TWENTY OR THIRTY MILLION TONS

We have a potential market for our coal in the West Indies, Central and South America, and also in the Mediterranean. These Mediterranean ports are almost as near to American ports as they are to British ports, and some of the South American ports are nearer to us than to the British ports. The West Indies and Central American ports, of course, are nearer to us than they are to the British ports.

We have had a very small foreign coal trade, while Great Britain has built up a foreign coal trade of something like 60,000,000 tons. There is a potential market for American coal and coke of upward of 30,000,000 tons.

American railroads have given rates to our seaports on other products for foreign shipment. A movement is now on foot to have them to give a rate on coal for foreign shipment. If we secure this rate and secure proper unloading facilities in these foreign markets, it is believed by those who have made a careful study of the problem that we can compete with British coal in these foreign ports without any aid from the Government, but it is very essential at this time that the Government, through our merchant marine, should help to build up our foreign coal markets and this will go far toward inducing the railroads to give the rates on coal for foreign shipment and in getting suitable unloading facilities in these foreign ports.

We are satisfied that other economies may be effected. With the soft-coal industry in distress as it is, and thousands of miners out of employment and their families needing support, there is no good reason why our Government, through the merchant marine and the Shipping Board, should discriminate against coal. We should handle it and build up markets for it just as we are doing for our products from the farm, the factory, and the forest.

INTERESTED IN MERCHANT MARINE

While my district is far removed, and there are thousands of people living in my district who never saw a great ocean ship and never will, yet no one can be more interested in building up our merchant marine than I am. I desire to see American ships loaded with American products, flying the American flag, and sailing the seven seas of the world. Every ship loaded with American products of whatever kind to foreign ports means more employment for our people, and more returns on capital invested whether it be in mines, railroads, factories, or farms. [Applause.] Whatever helps one industry is bound to benefit every other industry in this country.

Mr. KELLY. Will the gentleman yield? I am very much interested in the gentleman's statement regarding an important industry. What is the productive capacity of the bituminous coal mines at this time?

Mr. ROBSION of Kentucky. If our mines worked anything like full capacity, they could produce about a billion tons of coal annually. We actually produce about 500,000,000 tons; only about one-half of our capacity, as we only have markets for that much.

Mr. KELLY. About one-half of the potential capacity.

Mr. ROBSION of Kentucky. Yes; the mines are idle about one-half of the time. It is not like some other industries where you can stop the overhead. The expense in overhead goes on and mines deteriorate very rapidly when they are idle. The miners live in mining camps and can not, as a rule, find other employment for the days that the mines are idle.

Mr. KELLY. What might be the total exports of bituminous coal?

Mr. ROBSION of Kentucky. There is a potential foreign market for about 30,000,000 tons of coal and coke. We do not produce much over 500,000,000 tons of coal. It is the surplus that breaks down the market. In 1927 the British coal miners were on a strike and this enabled us to have an export market for about nineteen or twenty million tons of coal. While that was not a large tonnage yet it took up the surplus and gave us a good strong coal market throughout the year.

TARIFF ON CRUDE OIL

I think we can help the coal industry very materially in another way. In 1921 some of us made a determined effort to secure a tariff on crude oil. There are being brought into this country about 3,000,000,000 gallons of crude oil for a single year. This is used largely for fuel purposes. As I am informed, very little of it is or can be used in making gasoline or lubricating oils, and it is estimated that it displaces somewhere between seventy-five and one hundred million tons of coal. This crude oil comes in from Mexico, Central and South America, and is produced by cheap labor, and can be sold at

such a price in this country as to make it a cheaper fuel than coal. We think it is unfair to the coal industry as well as to the oil producers of the United States to have this large quantity of crude oil to come in free of duty, and at the proper time, when the tariff bills come up for consideration, it is my purpose to urge a proper tariff on crude oil. I feel that the coal industry is like agriculture and some other industries. We can not relieve them by any one particular thing, but it is my purpose to urge, for these industries, relief along several lines.

WILL HELP MANY

I wish to thank the subcommittee and the full Appropriations Committee for including this \$1,900,000 in this bill. I am satisfied that this is going to grow into something big for our country. It will give new courage and life to those who have their money invested in this business. It will give employment to many miners and bring a ray of hope to them and their families. It will give business to the railroads and work to the railroad men, and to those who are employed on our ships, and will help every industry in this country.

All of our activities are so interrelated that one can not suffer without doing harm to the other.

I wish to thank you for your patient hearing. [Applause.]

Mr. CULLEN. Mr. Chairman, I yield five minutes to the gentleman from New Hampshire [Mr. WASON].

Mr. WASON. Mr. Chairman, I yield five minutes to the gentleman from South Dakota [Mr. CHRISTOPHERSON].

Mr. CHRISTOPHERSON. Mr. Chairman, there have been favorable comments in my part of the country upon the fact that we are to have a special session of Congress this coming spring for the purpose of a revision of the tariff and to consider agricultural legislation. There is a well-founded belief that Congress will enact legislation at that time which will restore the agricultural industry to a parity with that of other industries, which is all that it is asking, and that such legislation may have the approval of the incoming Executive. In the Mitchell Republican, one of the leading daily newspapers of my district, there appeared an editorial on the subject a few days ago. I ask unanimous consent that this editorial may be read by the Clerk during my time.

The CHAIRMAN. Without objection, the Clerk will read.

There was no objection, and the Clerk read as follows:

A CHANCE FOR THE FARMING INDUSTRY

Representatives of the farm States in Congress should recognize the forthcoming revision of the tariff as their opportunity. To be sure, it is an opportunity they never have taken, but it is high time they were availing themselves of it.

Senator McMASTER showed the way when he presented last year his resolution calling for a downward revision of excessive tariffs paid by the farmer. The purport of that resolution was to serve notice on other industries that if they were not willing to put the farming industry on the same plane with themselves in the fixing of effective tariffs, the farmers did not propose to give further support to the protection accorded them.

Now that the tariff is to be revised generally, all the farm bloc Members of Congress should serve notice in some such form as this:

"We believe in the protective tariff system, but we also insist that it is unfair and discriminatory to increase the prices of some industries through the tariff and leave other industries on a world-price basis. Congress has refused to make effective the tariffs on some of the basic farm products. Unless Congress does so, unless it enacts legislation that will insure to the farmer on all his products the world price plus the tariff, we will not vote for a continuation of existing tariffs enjoyed by other industries and we certainly will oppose any increase in such duties."

That the opportunity to do something of this sort exists is manifest from the attitude toward tariff revision of newspapers that speak for the manufacturers' group. For example, note the following from the Philadelphia Public Ledger, one of the high priestesses of protection for the big corporations:

"Now is the opportunity for industries requiring additional tariff protection to present their case. Representative TILSON has recently pointed out the committee's need for the fullest information available as the basis for new tariff schedules. Seven years have elapsed since the last tariff revision. The Republican majority is pledged to a comprehensive revision without delay that might cause uncertainty to business. And it is acting promptly to redeem its party's pledges and fulfill the mandate expressed at the recent election."

Of course, the Public Ledger says nothing of the party's pledges to end the discrimination of a tariff system that leaves the farmer on the world-price basis while according to the manufacturer the last cent of protection. This means that the farm bloc will be expected to continue to vote for high tariffs for manufacturers, with the farmer left out in the cold. Will the farm bloc play the rôle of cat's-paw once more?

Mr. CHRISTOPHERSON. That editorial expresses a sentiment quite general throughout my part of the country.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHERSON. Yes.

Mr. BANKHEAD. Does that view express the individual opinion of the gentleman himself?

Mr. CHRISTOPHERSON. It does largely; yes.

Mr. BANKHEAD. Can the gentleman tell us what will be the policy of those who think as he thinks on this question when a bill comes in here for farm relief that does not carry out the policy indicated by that editorial?

Mr. CHRISTOPHERSON. As for myself, I shall make an effort to get a bill that will carry out the policies that will bring relief and restore agriculture to an equality with that of other industries, and that is all that we are asking. That is what I am contending for.

Mr. BANKHEAD. Does not the editorial itself reiterate a demand for the equalization fee in a farm relief bill?

Mr. CHRISTOPHERSON. Possibly so, but I am not one who believes that that is the only solution of the farm problem.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. CULLEN. Mr. Chairman, I yield 14 minutes more of my time to the gentleman from New Hampshire [Mr. WASON].

Mr. WASON. Mr. Chairman, the independent offices appropriation bill contains the regular annual appropriations for all those offices, bureaus, and establishments of the executive branch of the Government, which have not been placed by law under the jurisdiction of one of the regular departments of the Government presided over by a Cabinet officer. These independent establishments, so far as they are provided for, in whole or in part, by regular annual appropriations are as follows:

The Executive Office (including the salaries of the President, the Vice President, and of the employees of the White House and the President's immediate office).

American Battle Monuments Commission.

Arlington Memorial Bridge Commission.

Board of Mediation.

Board of Tax Appeals.

Bureau of Efficiency.

Civil Service Commission.

Commission of Fine Arts.

Employees' Compensation Commission.

Federal Board for Vocational Education.

Federal Power Commission.

Federal Radio Commission.

Federal Trade Commission.

General Accounting Office.

Housing Corporation.

Interstate Commerce Commission.

National Advisory Committee for Aeronautics.

Public Buildings and Public Parks of the National Capital.

Smithsonian Institution.

Tariff Commission.

United States Geographic Board.

United States Shipping Board.

United States Veterans' Bureau.

The appropriations for the independent bureaus and establishments were carried for the first time in the single bill known as the independent offices appropriation bill under the appropriations made by Congress for the fiscal year ending June 30, 1923, being the outgrowth of the establishment of the Budget system in Federal expenditures and of the consolidation in a single committee of the House of jurisdiction over all appropriations.

The total amounts appropriated each year for independent offices, including sums appropriated in all bills for the same bureaus for the fiscal year 1922, are as follows:

1922	\$528,746,407.00
1923	555,615,334.38
1924	502,078,191.82
1925	540,303,926.21
1926	571,376,061.40
1927	513,006,436.64
1928	534,058,891.02
1929	528,355,562.00
1930 (recommended in the bill)	541,314,144.00

Appropriations for those activities reached their peak in 1926, when the aggregate amount was \$571,376,061.40, of which \$70,000,000 was for the adjusted service certificate fund. The total amount recommended in this bill is \$541,314,144. This amount is \$12,958,582 in excess of the appropriations for the current fiscal year. The increase is more than accounted for, however, by the increase allowed in the Veterans' Bureau, amounting to \$14,415,000, so that, aside from the Veterans' Bureau activities, the bill is \$1,456,418 less than the appropriations for the present fiscal year, which includes the increase

above the Budget of \$1,500,000, which the committee has given the Shipping Board for reconditioning and operating ships for carrying coal to foreign ports, as well as the increases needed for salary adjustments under the Welch Act.

AMERICAN BATTLE MONUMENTS COMMISSION

The present authorization of expenditures by the American Battle Monuments Commission in the erection of suitable memorials to the World War dead in France and other foreign countries totals \$3,000,000, of which there has already been appropriated \$2,695,750. Upon the recommendation of General Pershing and of the Budget Bureau the committee has increased the total authorization to \$4,500. This does not involve any increase or modification in the program of memorials to be erected, but is necessitated by two considerations—

First. The prices for materials and construction in Europe have increased approximately 40 per cent and are still rising.

Second. The commission's original project did not include the cost of landscape gardening and other beautification features in the cemeteries, as such work was under the jurisdiction of the War Department and was to have been paid for from their appropriations.

The commission and the War Department, however, have both concurred in the view that the beautification and landscape features are so clearly related to the memorials themselves that they should be planned and executed by a single authority. Consequently funds which would otherwise be appropriated in the War Department bill are included in the present bill.

ARLINGTON MEMORIAL BRIDGE COMMISSION

Progress of the work on this bridge is practically up to schedule. Colonel Grant assured the committee he does not anticipate there will be any necessity for asking an increase in the original amount of the authorization for the project.

The modification of plans recently adopted by which the Rock Creek-Potomac Parkway will underpass the bridge approach at the Washington end will add approximately \$160,000 to the cost, which will be cared for by omitting certain essential ornamental features of the bridge and its approaches contained in the original plans.

The bridge can be made available for traffic some time during the calendar year 1931 by providing temporary approaches, but the adoption of such measures will depend somewhat on whether the Virginia State highway authorities have the State highway approach to the bridge ready by that time.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. WASON. Yes.

Mr. McDUFFIE. I think the House would be interested to know, if the gentleman has time to go into it for us, something of the progress being made by the United States Shipping Board. In other words, we would like to know how many vessels are in operation, whether the total number is being decreased, and whether or not the same amount of tonnage is being carried in our own bottoms that we have carried within recent years, and something with reference to the cost of operation, whether any progress is being made along those lines.

Mr. WASON. Will my friend from Alabama wait until I get to the Shipping Board item?

Mr. McDUFFIE. I beg the gentleman's pardon; I thought that he had passed that item.

Mr. WASON. No.

CIVIL SERVICE COMMISSION

Substantial increases have been granted for the Civil Service Commission, necessitated largely by the increased work in connection with examinations for positions in the Prohibition Unit, the employees of which were placed under civil service by a recent act of Congress.

FEDERAL POWER COMMISSION

The bill also includes a substantial increase for additional personnel in the Federal Power Commission.

This commission was created by the act of June 10, 1920, and is composed of the Secretary of War, the Secretary of the Interior and the Secretary of Agriculture. The act authorized the appointment of an executive secretary at a specified salary, and also authorized the detail of an officer from the United States Engineer Corps to serve the commission as engineer officer.

The additional personnel needed for the work of the commission had been performed prior to the present fiscal year by employees detailed from the Departments of War, Interior, and Agriculture. Last year's appropriation bill provided that the employees theretofore detailed from the respective departments should become permanent employees of the Federal Power Commission and their salaries were appropriated for in last year's bill and are also included in the bill now before the House.

This commission is growing in size and importance from year to year. It has jurisdiction over the granting of licenses for

the development of all water power upon the public domain and upon all the navigable streams of the United States. Under the law the licenses so granted are for a period not exceeding 50 years, and upon condition that at the end of the period the Government may recapture the project by reimbursing the licensee in the sum of the actual investment.

Protection of the interests of the Government in connection with possible recapture in the future involves a careful policing of the accounts of the licensees in order that the question of the net cost of such subject may be fairly and properly determined.

The commission has scarcely entered upon this phase of its duties, for the reason that it has been heretofore engrossed with the work involved in the consideration of applications for licenses. The necessity of protecting the interests of the Government with respect to the inspection and supervision of the accounts under licenses already granted has constrained the commission because of lack of sufficient personnel to slow down the consideration of applications for licenses with a view of overcoming some of the arrearage in the work of supervision of accounts. This situation is partly the occasion of the increased appropriations carried for the commission in the present bill.

The importance of this work is emphasized by the fact that the total amounts eventually involved in connection with the projects already under license, if the projects are completed, will aggregate approximately \$1,000,000,000.

Another important duty imposed upon the commission by law is that of the regulation of rates for power, which is transmitted by licensees in interstate commerce. The Supreme Court of the United States having recently decided that in such cases neither the State of origin nor the State of ultimate use of the power has jurisdiction in the matter. This provision of the law has imposed no serious duty upon the commission up to the present time, but it is certain in the future to become an important element of the work of the commission.

The committee feels that the heavy responsibilities imposed upon this commission have been admirably discharged under the efficient administration of the present executive secretary, Mr. O. C. Merrill, who was formerly an engineer in the Forest Service of the Department of Agriculture, and who has held his present position from the inception of the commission.

FEDERAL TRADE COMMISSION

A substantial increase is carried in the bill for the Federal Trade Commission, necessitated by inquiries which are now being conducted under two Senate resolutions, one pertaining to public utilities and the other to chain stores. Two hundred and fifty thousand dollars has been made immediately available to enable the commission to prosecute these investigations without delay.

HOUSING CORPORATION

The liquidation of the Housing Corporation is making satisfactory progress. The unsold real estate amounts to only \$115,000 in value, consisting of unimproved property with the exception of two dwellings. The outstanding balances on mortgages amount to \$3,508,796, and collections on these mortgages are practically current.

INTERSTATE COMMERCE COMMISSION

The bill carries a material increase in the appropriations for the Interstate Commerce Commission, the committee having approved 13 additional examiners to accelerate the disposition of the large accumulation of formal cases on the commission's docket.

Another substantial increase was for the work of completing the valuation of the property of the carriers.

The 3-year program initiated by the committee, the period for which ended on June 30, 1928, is well advanced toward completion. It is expected that the program will be practically completed within the coming fiscal year.

NATIONAL ADVISORY COMMITTEE FOR AERONAUTICS

The bill authorizes the construction of a full-scale wind tunnel at a cost not to exceed \$900,000, and carries an appropriation of \$525,000 toward its construction. This tunnel when completed will enable the aeronautics committee to conduct valuable experiments for the solution of necessary and valuable problems of aviation.

TARIFF COMMISSION

A moderate increase in the appropriations for the Tariff Commission is carried in the bill to enable that body to meet the ever-increasing duties in connection with the flexible provisions of the tariff law and the material increases in its activities which will be necessitated in connection with the impending general tariff revision.

UNITED STATES SHIPPING BOARD

The United States Shipping Board, in its administration of the Merchant Fleet Corporation, has made a creditable showing in the matter of reduction in operating losses. This is reflected

in the reduction in the estimates of appropriations to cover such losses for the ensuing year. The current appropriation for that purpose is \$13,400,000 and the Budget estimate for 1930 is \$9,500,000. The amount carried in the bill under this head is \$11,134,250, of which \$134,250 is represented by personnel estimated for under the head of the Shipping Board but which the committee has transferred to and recommended in connection with the appropriation for the operation of the fleet. The reasons of the transfer of appropriation are fully set forth in the report accompanying the bill.

The Fleet Corporation has 21 ship lines, which involve about 250 active vessels. There is no fleet now in operation under private ownership that approaches in size the fleet operated by the Merchant Fleet Corporation.

The committee is gratified at the creditable showing made by the Shipping Board in the continual reductions in the operating deficit of the fleet.

COAL-CARRYING VESSELS

Last year Congress authorized expenditure of \$1,000,000 in reconditioning vessels for carrying coal in foreign trade. The Shipping Board at the present time has barely gotten the project under way. About six vessels have been reconditioned, but only two voyages have been begun, neither of which was completed at the time the bill was under consideration by the committee. The committee was convinced that Congress having once set its hands to the plow would not be disposed to turn back at this stage. Evidence before the committee indicated the advisability of a further enlargement of this enterprise, particularly with reference to encouraging trade with South America, and has added \$1,500,000 to the bill for this purpose.

UNITED STATES VETERANS' BUREAU

The work of the United States Veterans' Bureau is proceeding in a most satisfactory manner under the present able and efficient administrative director, General Hines. The execution of the various laws enacted by Congress for the benefit of the veterans has necessitated certain increases in the appropriations for 1930. These increases total \$14,415,000, and the Budget estimate for the various items under this bureau have been granted in full. [Applause.]

Mr. CULLEN. Mr. Chairman, I yield myself 30 minutes. Gentlemen of the committee, this bill which we now have under consideration carries an aggregate appropriation of \$541,314,144 for the Executive Office and sundry independent executive bureaus, boards, and commissions for the fiscal year of 1930, while in the fiscal year of 1929 the sum of \$528,355,562 was appropriated. The Budget estimate for 1930 is \$540,917,930.

There is, therefore, an increase of \$12,958,582 over the same appropriation bill of 1929, and an increase of \$396,214 over the amount recommended by the Budget. In connection with the \$12,958,582 it was more than accounted for by the increase of \$14,415,000 in the amount recommended for the Veterans' Bureau. Aside from the Veterans' Bureau there was an actual decrease in the amount recommended in the bill as compared with the amount appropriated for the current year, \$1,456,418, notwithstanding the fact that the committee has included under the Shipping Board an item for \$1,500,000 for reconditioning vessels for carrying coal to foreign ports.

The two largest amounts appropriated under this bill are those for the United States Veterans' Bureau, totaling \$499,975,000 and the United States Shipping Board, which is \$9,994,000.

For the Executive Office the sum of \$458,120 is appropriated.

American Battle Monuments Commission	\$600,000
Arlington Memorial Bridge Commission	2,000,000
Board of Mediation	348,270
Board of Tax Appeals	725,863
Bureau of Efficiency	228,130
Civil Service Commission	1,251,562
Commission of Fine Arts	9,080
Employees' Compensation Commission	4,077,326
Federal Board for Vocational Education	822,520
Federal Power Commission	170,250
Federal Radio Commission	164,440
Federal Trade Commission	1,289,760
General Accounting Office	4,132,000
Housing Commission	397,950
Interstate Commerce Commission	8,213,825
National Advisory Committee for Aeronautics	1,300,000
Smithsonian Institution	1,047,573
Tariff Commission	815,000
U. S. Geographic Board	9,200
U. S. Shipping Board	9,994,000
U. S. Veterans' Bureau	499,975,000

And in addition, the permanent annual appropriations for 1930 amount to \$107,456,991.

In order to have a permanent record and to call the attention of the Members generally to the objects and amounts for which these appropriations are made, I ask unanimous consent to insert herewith a prepared statement thereof.

As a member of the minority of the subcommittee of the Appropriations Committee on independent offices we have presented for your consideration a bill which will, I hope, commend itself to the membership of the House.

Our subcommittee has labored for the past few weeks in session with our esteemed chairman, Congressman WASON, and Congressmen SUMMERS of Washington, ALLEN, and VINSON of Kentucky, while conducting hearings with the representatives of the various independent offices before our committee. From a general résumé thereof, I believe that the employees in the Federal departments are rendering most efficient and capable service, worthy of much praise and recognition. But I warn the Congress not to reduce too far the needed appropriations for the operation of our governmental agencies, and thus cripple and retard the progress that is being made in bringing about the greatest possible degree of efficiency compatible with the amount of money that is appropriated annually.

The men who left their jobs, their homes and relatives, to enlist in defense of the lives and property of the American people in time of war, some of whom were crippled and maimed for life, while others paid the supreme sacrifice, must be well and properly cared for, and adequate and up-to-date hospital facilities provided.

In that connection I am glad to hear that the Veterans' Bureau are going to extend their hospital operations by asking an appropriation of \$10,000,000 for the building of hospitals, which I think is a very good and wise thing to do.

I am for an American merchant marine, supported, maintained, and developed along with the other big institutions of this great country. I believe in the principle of Federal aid. We must have a merchant marine capable of transporting our enormous overseas commerce and serving the American people in time of war and distress, when it is absolutely necessary that food and supplies be furnished our forces on land and sea, and act as an auxiliary to the Navy.

Our country from its beginning were shipbuilders and mariners. We had shipyards and shipbuilding in all its branches, and we should remain steadfast to that policy. We rank about eighth in the shipping business, and although the early founders of this Government advocated and encouraged the building of a large merchant marine, our present shipping business is at low ebb. A merchant marine is vital to the Nation's supremacy. We should support by voice and money its upbuilding so that it will be an example to others and a credit to ourselves.

Mr. McDUFFIE. Will it interrupt the gentleman at that point?

Mr. CULLEN. No.

Mr. McDUFFIE. Last year or last Congress, I recall, the Congress appropriated \$10,000,000 for the purpose of reconditioning two ships, with a view of balancing our trans-Atlantic passenger service. A report was made to the President by some bureau or board of the Navy Department. So far I have been unable to learn what the report was, and I have not heard it was favorable. We could recondition the two ships, the *Monticello* and the *Mount Vernon*, for about half as much as to build new ships. Those two ships were never in that service, but had excellent service under the Shipping Board, and I was wondering if the gentleman or his committee had obtained from those who appeared before the committee the reason why this money was not used, why these boats were not reconditioned for the North Atlantic passenger service?

Mr. CULLEN. The answer is this, that when the Shipping Board advertised for bids to recondition the *Mount Vernon* and the *Monticello* they found the money appropriated by us in the last Congress was insufficient to recondition both of them, and probably would only recondition one, so that they stopped.

Mr. McDUFFIE. Does the gentleman mean to say they really made some move toward reconditioning those boats? I understood nothing was ever done. The gentleman says they did advertise for bids?

Mr. CULLEN. They advertised for bids, yes; but they found that the moneys appropriated were not sufficient.

Mr. McDUFFIE. Did that board make a report?

Mr. CULLEN. I think it is in our hearings.

Mr. McDUFFIE. The board did make a report?

Mr. CULLEN. I think so.

Mr. McDUFFIE. And advertised for bids? If they did, I must have overlooked it.

Mr. CULLEN. I think you will find it in the report.

Mr. McDUFFIE. It is in the hearings?

Mr. CULLEN. Yes.

By the act of Congress of date July 4, 1789, a discount of 10 per cent was allowed on all goods in ships owned by American citizens, and a further rebate was allowed on tea imported from the East Indies in American vessels. With such aid and en-

couragement, the tonnage carried in American bottoms increased from 123,893 in 1789 to something over 400,000 in 1792. In other words, the percentage of exports and imports increased from 25.6 to 92 per cent. As early as 1840 the British Government adopted the policy of granting subsidies to certain steamship lines, and shortly Italy, France, and the other European countries followed. Presidents Washington, Adams, Jefferson, and Madison strongly advocated relief to the shipping industry, and it was no other than Thomas Jefferson who said:

To force shipbuilding is to establish shipyards, is to form magazines, to multiply useful hands, to produce artists and workmen of every kind who may be found at once for the peaceful speculations of commerce and for the terrible wants of war.

From the year 1831 to 1841 the number of foreign ships in our ports increased over 400 per cent, while during the same period American ships only increased 40 per cent. The British Government in 1834 granted to certain lines a subsidy of \$850,000, and in a few years such subsidies were increased from three to four million dollars. It is very significant that those who advocated and initiated the movement to compete in the shipping business with the British lines by granting subsidies were men of power, leadership, and national influence, such as Presidents Jefferson and Polk and Senator Thomas King, of Georgia, and by the largest shipowner of more recent time, A. A. Low, Esq., father of Hon. Seth Low, former mayor of New York and president of Columbia College and of the New York Chamber of Commerce. There was practically no increase in the amount of imports and exports carried in American ships up to the time of the great World War, the proportion of tonnage transported in American vessels being 8.2 per cent in 1901, while in 1914 it was only 8.6 per cent. The Merchant Marine Commission established by Congress in 1904, composed of five Senators and five Representatives, with Senator Gallinger, of New Hampshire, as chairman, recommended tonnage subsidies on cargo vessels to certain steamship lines to the West Indies, South America, South Africa, Australia, and the Orient, but this provision embodied in the measure that passed the Senate was eliminated in the House.

It was in recent years, under President Harding's administration, if my memory serves me right, we passed a ship subsidy bill, which was defeated in the Senate, and I voted for it.

Mr. BACON. Will the gentleman yield?

Mr. CULLEN. I will.

Mr. BACON. Is the gentleman aware that three boats are being built by Germany at this time that will probably make 30 knots?

Mr. CULLEN. Then I would make ours 30 knots to match. I am also aware that they have under construction now 20 vessels of from 25,000 to 30,000 tons ready for the North Atlantic trade.

Mr. BACON. I think the gentleman is correct in that.

Mr. CULLEN. The Italian Government alone has spent approximately \$4,600,000 annually in the construction and operation of their ships and mail lines to China, India, North and East Africa, and Egypt; and France has expended about \$13,000,000 a year in the equipment and operation of its various ship lines to Australia, eastern Mediterranean, Brazil, and other countries; while England is also appropriating between seven and eight million dollars every year in aiding and developing her merchant marine.

Italy is building ships of twenty-five to thirty thousand tonnage, while France and Germany are also forging ahead under a very large shipbuilding program, reconditioning and thoroughly equipping all their old ships on hand and constructing additional ships. To-day our North American lines are badly in need of two modern vessels of 30,000 tonnage to supply the great demand for additional export, passenger, mail, and freight services along with the *Leviathan*, *George Washington*, *President Harding*, *America*, *President Roosevelt*, and the *Republic*. Sailing of these ships should be made at least three times a week, and thus eliminate the great delay and congestion entailed by sailing only once every 10 days or two weeks.

I am in favor of building two more ships for the North Atlantic service of 30,000 tons, with a speed of not less than 25 or 30 knots, to balance the fleet which is now operating in the trans-Atlantic trade, and which would also act as auxiliaries in times of stress.

The Shipping Board and Merchant Fleet Corporation are showing a great desire to have their business in which they are engaged firmly established along strict business lines, and in my opinion are making excellent progress in that direction.

They are doing good work; there is no question about it. And since we have put vessels under their jurisdiction as a result of the war, we find it wise in our judgment to leave them

alone instead of criticizing them unnecessarily. They are doing work commendatory not alone to themselves but to the Congress and the people of the United States.

I am also fully convinced that the wisest and best policy is to have shipyards and train men to become proficient and experienced shipbuilders, as this feature of our ship program is just as important to the upbuilding of a merchant marine for reconditioning and repair in order that our ships can be kept up to that high standard worthy of the merchant marine of a great country and place our business at least on a par with that of the foreign nations.

Mr. ROBSION of Kentucky. Will the gentleman yield at that particular point?

Mr. CULLEN. I will.

Mr. ROBSION of Kentucky. I am advised that the Palmetto Line, after making 46 trips under the Shipping Board, lost more than a million dollars last year, and in the face of that it was bought by a private concern. I am just wondering why a private concern would buy a shipping line with that deficit staring them in the face unless they could see how they could run the line much better than the Shipping Board.

Mr. CULLEN. A business corporation, with money invested in those lines, if they could not see something in the future as to the investment, would naturally hesitate to invest. I do not know whether that is the result of experience in management or not, but I know, as a shipping man, that there were many times when we ran our vessels not only across the north Atlantic but to South America when we were on the red side of the ledger.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. Yes.

Mr. BRIGGS. Is it not true that the fact that the Palmetto Line bought those ships for a song, approximately \$300,000 for 10 cargo carriers, and the further fact that they were enabled under the merchant marine act for 1928 to get a 10-year mail contract made it possible for that line to run in private operation?

Mr. CULLEN. The gentleman is a member of the Committee on the Merchant Marine and Fisheries, and he probably knows about that.

Mr. ROBSION of Kentucky. I can not see why these private concerns could get more favorable treatment in handling United States mails than the Shipping Board itself.

Mr. BRIGGS. That is because the Congress has specifically provided, under the merchant marine act of 1928, that the Government may make 10-year mail contracts with citizens of the United States; and that was offered as an inducement for purchasers to buy ships from the United States when the Post Office Department and Shipping Board determined such contracts were advisable.

Mr. ROBSION of Kentucky. Under the shipping act could the Government itself get those contracts?

Mr. CULLEN. I think perhaps it could; but in this case the contracts were permitted to be made as an inducement to privately operated lines.

Mr. ROBSION of Kentucky. I am anxious that the American lines shall get contracts to carry the mail and that those ships will go out of rating.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield there?

Mr. CULLEN. Yes.

Mr. WAINWRIGHT. Of course the gentleman knows that the *Leviathan* and American ships of the United States Lines are the only first-class passenger lines flying our flag on the North Atlantic lane. Is it designed to encourage the building of fast passenger and cargo vessels in connection with the disposal of these ships to private owners? Does the gentleman know whether, in the advertisements of the United States Lines, they are now imposing as a condition that any purchaser of a ship of the United States shall agree to build under the present loan laws two new up-to-date fast passenger and cargo vessels such as the gentleman describes?

Mr. CULLEN. I am not altogether familiar with that, but I think I am safe in saying that if the United States Lines on the North Atlantic are sold at satisfactory prices there is a condition involved to recondition the *Monticello* and the *Mount Vernon*.

Mr. WAINWRIGHT. Of course that would only go part way, but it would help some American shipyards to recondition the vessels.

Mr. CULLEN. I am in harmony with the gentleman's suggestion as to that.

Mr. WAINWRIGHT. The gentleman may recall that a bill was introduced at the last session of Congress to require that

any sale of United States Lines should be on the condition that the purchaser should build two such ships.

Mr. CULLEN. I think that was provided for in connection with the repair of these vessels.

In closing, it might be well to mention as regards ship operation that originally the board had 45 main cargo lines, 7 passenger lines, with 91 managing operators or charterers. The ship lines were afterwards reduced through consolidation or abandonment to 37 in number. Up until 1924 only 1 of the board's established lines had been sold to private interests.

To date 17 lines have been sold, consisting of 134 vessels, and these lines are now in operation under private American ownership. The vessels, totaling 5,112,743 tons, as well as 489 ships for scrapping, totaling 2,024,710 tons. The aggregate totals of ships sold amount to 1,668, representing in cargo ships 8,080,631 dead-weight tons and 282,674 gross tons for passenger vessels, with aggregate sales prices of \$252,756,615.05.

The board now has 21 ship lines, which involve about 250 active vessels. It has 405 ships in inactive status, including 9 vessels undergoing Dieselization and 11 in "spot" status, with 385 in lay-up.

I would like to see them act on the mandate of Congress with regard to the repair of ships that are carrying coal. I supported that project in the subcommittee. I think that is a very good business project, at least if we can get preferential rights from the railroads in regard to carrying coal.

Mr. MURPHY. Mr. Chairman, will the gentleman yield?

Mr. CULLEN. Certainly.

Mr. MURPHY. In looking at the hearings I find that special stress has been laid on the amount of money used in reconditioning those ships so that it would be possible to carry coal in them. I understand that quite a little space is given in these hearings to finding fault with the proposition to make provision for the shipping of coal, but in the committee they never batted an eye on several million dollars providing for the reconditioning of two passenger ships. I am wondering what is underneath this. Has any information come to the committee?

Mr. CULLEN. I do not know what is back of that.

Mr. MURPHY. I noticed that in the hearings.

Mr. CULLEN. Two of these ships were to be reconditioned to carry coal. I think that one of them was sold. I am not sure about that, however. I think that is good business that they should be reconditioned.

Mr. MURPHY. Yes. They could not dispose of them unless they were. I notice in the remarks made by the gentleman from Kentucky [Mr. VINSON] yesterday that only one ship had made a trip to Mediterranean ports. Yet the hearings say that 10 trips have been made. I was wondering how that thing works.

Mr. CULLEN. That, I think, is shown in the report of June 30.

Mr. MURPHY. They think that will be the law.

Mr. CULLEN. Five lines were sold during the fiscal year 1928, including the three remaining cargo services on the Pacific, thus disposing into private American hands all of the board's lines in trans-Pacific trade. The board has since sold 12 vessels which were in lay up on the Pacific coast, thereby closing out all remaining cargo vessels and taking the board out of active operation and ownership on the coast. Individual vessels sold during the fiscal year 1928 for unrestricted operation total 20.

The other day, prior to getting up this statement, I happened to look over the Lloyds Register, and I thought it might be of interest to the Members of the House generally to know, in regard to the construction of merchant vessels, that 81 per cent of all construction of merchant vessels, according to the report of Lloyds Register, which is an English register, is being done in Great Britain. Now, gentlemen, we ought to do something in regard to our merchant marine, and I hope and sincerely trust that the next Congress will take up this most important subject and put our flag where it should be on the seven seas of the globe. [Applause.]

The CHAIRMAN. If there is no further general debate, the Clerk will read the bill for amendment.

The Clerk read down to line 16, page 6.

Mr. ROBSION of Kentucky. Mr. Chairman, I rise at this time to ask unanimous consent to revise and extend my remarks on this bill.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, I make the same request.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

COMMISSION OF FINE ARTS

For expenses made necessary by the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910 (U. S. C. p. 1295, sec. 104), including the purchase of periodicals, maps, and books of reference, and payment of actual traveling expenses of the members and secretary of the commission in attending meetings of the commission either within or outside of the District of Columbia, to be disbursed on vouchers approved by the commission, \$7,380, of which amount not to exceed \$4,280 may be expended for personal services in the District of Columbia.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. I do so for the purpose of asking the chairman of the subcommittee to what extent the Fine Arts Commission is being consulted in the design of the public buildings for which Congress has provided in the District of Columbia and also throughout the United States?

Mr. WASON. The only answer I can make to my colleague is that I understand they are complying with the requirements of the law whenever any activity of the Government asks for their opinion or wherever the law provides that they shall act.

Mr. LAGUARDIA. Is this compliance a purely perfunctory compliance or is the advice of the Fine Arts Commission really sought and followed in connection with the many millions of dollars we are now spending on public buildings?

Mr. WASON. I understand it is, but we made no inquiry to what extent.

The pro forma amendment was withdrawn.

The Clerk read as follows:

FEDERAL POWER COMMISSION

For every expenditure requisite for and incident to the work of the Federal Power Commission as authorized by law, including traveling expenses; contract stenographic reporting services, and not exceeding \$600 for press-clipping service, law books, books of reference, and periodicals, \$165,750, of which amount not to exceed \$131,800 shall be available for personal services, and of this amount not to exceed \$127,200 shall be available for personal services in the District of Columbia.

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last word. I do so for the purpose of inquiring of the chairman of the subcommittee whether this is a sufficient appropriation for the Federal Power Commission. The chairman will recall that at the last session of Congress we had a bill before the House in connection with the Federal Power Commission which did not pass, and it was stated at the time that the Federal Power Commission had so much work on its hands and had so many of these projects to look into that they were hampered and could not possibly do the work with the personnel and funds then available. In the meantime, if they did not act, there would be great danger of some of the water power under the jurisdiction of the commission being usurped and used contrary to the provisions of the law. That was stressed to some extent in the House last year, and while there is a slight increase in the appropriation this year I would like to know if the committee is satisfied that the commission can keep abreast of its current work.

Mr. WASON. I will say to my colleague that I understood from the commission that with this amount they could function efficiently with the work, although they will probably need an increase for the next year, 1931, for additional personnel.

Mr. McDUFFIE. The point I am interested in is not exactly the same one raised by the gentleman from New York. I would like to know what they are going to do with this additional \$57,000.

Mr. WASON. One of the important items making up that appropriation is what they call policing the accounts of the work that has been done so as to keep the valuation of the different projects up to date in case of a transfer. It is otherwise known as the recapture by the Government if such action is required at the end of the license period.

Mr. McDUFFIE. Did you increase the amount for press-clipping service, for stenographic hire, and additional periodicals?

Mr. WASON. No; it was largely for additional personnel.

Mr. McDUFFIE. Additional employees?

Mr. WASON. Yes.

Mr. McDUFFIE. Does the gentleman know how many they are taking on?

Mr. WASON. I think about 10 more persons.

Mr. McDUFFIE. And they are to be engaged on what sort of service?

Mr. WASON. Policing the accounts and bringing the different items of the record up to date, so that they can keep them current as the years pass.

Mr. McDUFFIE. It takes 10 men to police the accounts of the Federal Power Commission?

Mr. LAGUARDIA. It will take more than that.

Mr. WASON. I mean the accounts of the licensees. The gentleman will understand that these activities have been promoted under a license from the Government, and these men in the Federal Power Commission oversee the work of the licensees and check up their books and accounts—expenditures, income, and so forth.

Mr. McDUFFIE. That covers the entire country then.

Mr. WASON. That covers the activities of the United States Government in respect of these water-power projects.

Mr. SUMMERS of Washington. Claims of \$297,000,000 are involved.

Mr. LAGUARDIA. The gentleman means plans instead of claims.

Mr. SUMMERS of Washington. Plans or claims. On page 132 of the hearings the gentleman will find a complete statement that is very enlightening.

Mr. LAGUARDIA. Can the gentleman from New Hampshire inform us whether the commission will be able to employ the necessary experts and accountants to keep abreast of this valuation work which is so important?

Mr. WASON. They gave the impression they were satisfied for the ensuing year with this personnel.

Mr. LAGUARDIA. With the increase the gentleman has provided in this bill?

Mr. WASON. Yes.

Mr. LAGUARDIA. That is, the commission itself.

Mr. WASON. Yes.

Mr. LAGUARDIA. If they say so, then it is their responsibility.

Mr. TILSON. Mr. Chairman, I rise in opposition to the pro forma amendment.

I wish to follow the same line indicated by the gentleman from Alabama [Mr. McDUFFIE] and to make inquiry in regard to the very rapid increase in the expenditures of this bureau or commission.

True, the Federal Power Commission is a very important commission and it is doing a very important work, but when I see one of these newer commissions begin to go forward by leaps and bounds in its expenditures I feel like making inquiry as to whether the increases are demanded by the work required of the commission.

I note that since last year the expenditure has jumped up from \$108,000 to \$165,000, in round numbers; that last year not to exceed \$87,000 was to be available for personal services; and that \$83,000 was to be expended in the District of Columbia. In this bill the amount to be expended is \$165,000, for services \$131,000, and not to exceed \$127,000 of this amount is available for personal services in the District of Columbia.

These figures indicate a very rapidly growing commission, and I am wondering just why this particular commission is growing so rapidly, and why all of it, or practically all of it, is to be expended inside the District of Columbia. Is there not required some policing of accounts at places outside the District of Columbia?

Mr. WASON. They travel outside the District of Columbia, but they are on the pay roll as of the District of Columbia.

Mr. TILSON. It is practically all expended within the District of Columbia, it would seem, and yet this is a commission which regulates power activities all over the country.

Mr. WASON. Yes.

Mr. McDUFFIE. May I say that this commission has the right to call on the three departments or on many departments of the Government for any information, and the various departments have their experts to furnish the information. I can not see why this increase is necessary, although it may be. I am not informed, frankly, but it is remarkable to see how this item for services in the District of Columbia is growing year by year.

Mr. WASON. The gentleman will recall that in the last appropriation bill the policy to which he has referred was changed. Originally, the details were one man from each of three departments, and they kept increasing the employees in this way until last year when it was changed, and instead of having details from the departments, they were put on the pay roll of the Federal Power Commission and taken off the expenditures of the several departments where the details came from. All the employees now are under the executive secretary, Mr. Merrill, and the appropriations are made to the Federal Power Commission to cover these expenditures.

Mr. McDUFFIE. How many employees are there in the Federal Power Commission?

Mr. WASON. They have 29 or 30 for this year, and next year they asked for and have been allowed by the committee

an increase of 10, making 40. The statement of Mr. Merrill to the committee is that the work is behind and he desires to get it current. One of the things that has been neglected, as the activities have spread and grown, is the policing of the accounts of licensees, which my friend will understand. Under the act there is a provision for recapture at the end of the license period.

Mr. McDUFFIE. There is the power of recapture after 50 years, but that is a long time off.

Mr. WASON. But the accounts of the licensees should be kept accurately policed during such period.

Mr. McDUFFIE. Then, the gentleman is providing for 10 additional auditors?

Mr. WASON. The commission calls this work the policing of accounts, and I would say they are to be accountants or auditors or perhaps some engineers.

Mr. McDUFFIE. The gentleman will recall there was an effort made to enlarge this commission under the terms of a bill brought upon this floor, which the House refused to pass. Under the provisions of that bill the commission could have grown into a bureau as large as the Interstate Commerce Commission, but the House did not pass that legislation.

This rather large increase for personnel in the District of Columbia leads one to question necessarily, or to at least ask for information, as to why so much money is needed, and this was my purpose in seeking the information. If additional employees are needed I want them to have them, but the question is, Are they really needed? This is what the House wants to know.

Mr. WASON. I am satisfied they are, and let me call the gentleman's attention to page 135 of the hearings, where this statement is made:

Under sections 19 and 20 of the act, the commission is authorized to exercise regulatory power—that is, the regulation of rates, services, and securities—not only of its licensees but of customers of its licensees who are buying power from them and selling it in the public service, and of subsidiaries of licensees, the stock of which is owned or controlled directly or indirectly by a licensee.

The pro forma amendment was withdrawn.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed on this paragraph for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. Mr. Chairman, in view of what has been said, I think it is only fair that the RECORD should show that the Federal Power Commission is the only supervisory agency which the Federal Government has over power companies using water power in streams under Federal control; that the various power companies throughout the United States are so well organized, with such an army of expert accountants and other kinds of experts, that the people of this country are in need of the protection which the Federal Power Commission is giving them.

The attention of the committee was called to the increase of expenditures of this commission. It is only fair to note in connection with the expenditures that the receipts of the commission from June 30, 1926, total \$107,414, while the estimated receipts for 1930 are \$718,663. The receipts for reimbursing costs of administration in 1926 were \$317,432, while the estimated receipts for the present fiscal year are \$1,103,539, so that the receipts are greater in proportion to the increase than the expenditures, as pointed out by the gentleman from Connecticut.

Mr. TILSON. I note an increase in personnel of 10—from 30 last year to 40—in this bill, according to the gentleman from New Hampshire. That is 33 per cent increase in the personnel, while the amount available for personnel service in the District of Columbia is increased 50 per cent. Are the 10 additional men high-priced men?

Mr. LAGUARDIA. They ought to be to compete with the high-priced accountants and the high-priced jugglers of figures of the power companies. We ought to go out and get the very best employees we can to keep up with them.

Mr. TILSON. You can not always tell by the price you pay how expert they are.

Mr. LAGUARDIA. The report shows that the receipts for the use of the Government dams has jumped 50 per cent, and the cost of administration 50 per cent; and some increases run as high as 100 per cent. It seems to me if Congress errs in any way it errs in not giving the Federal Power Commission unlimited funds. There is now going on in this country a struggle for the absolute control over all the water power throughout the country. The rates are fixed on the valuation of the plants, and if we have a power commission on the job that will keep

the companies to an honest valuation instead of permitting them to fix and juggle their figures, and get all sorts of fictitious and theoretical valuations, the American people will save many millions of dollars.

Mr. McDUFFIE. Does not the gentleman know that fixing the rates is done by the various public utilities of the various States?

Mr. LA GUARDIA. This applies only to water power under jurisdiction of the Federal Government. As to the public service commissions in some States I will say that they were created to protect the public, but in some States the public service commissions are the best allies the power companies have.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Total, Federal Radio Commission, \$164,440.

Mr. KETCHAM. Mr. Chairman, I move to strike out the last word. I do that to make a contribution to the discussion of the preceding paragraph. If the whole report is taken into consideration there is found on page 19 the increases provided in the salaries carried in the section of the bill there discussed. The increase in that section is \$277,722; that is on account of the Welch Act. That is found to be 13% per cent of the increase provided in the bill. That being true, and applying those figures to the increase under discussion in connection with the Water Power Commission, I am sure that it will indicate that the increase provided for personnel are in line with other departments. I thought it was worth a moment's attention in connection with the general increases provided under the Welch bill.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Locomotive inspection: For all authorized expenditures under the provisions of the act of February 17, 1911, "To promote the safety of employees and travelers upon railroads by compelling common carriers engaged in interstate commerce to equip their locomotives with safe and suitable boilers and appurtenances thereto" (U. S. C. p. 1439, sec. 22), as amended by the act of March 4, 1915, extending "the same powers and duties with respect to all parts and appurtenances of the locomotive and tender" (U. S. C. p. 1440, sec. 30), and amendment of June 7, 1924 (U. S. C. p. 1440, sec. 27), providing for the appointment from time to time by the Interstate Commerce Commission of not more than 15 inspectors in addition to the number authorized in the first paragraph of section 4 of the act of 1911 (U. S. C. p. 1439, sec. 26), including such legal, technical, stenographic, and clerical help as the business of the offices of the chief inspector and his two assistants may require, and for traveling expenses, \$459,000, together with \$31,000 of the unexpended balance of the appropriation for this purpose for the fiscal year 1928, of which amount not to exceed \$72,500 may be expended for personal services in the District of Columbia.

Mr. BRIGGS. Mr. Chairman, I move to strike out the last word. I would like to ask the chairman the status of the claim against the Government by which the United States was held by the Interstate Commerce Commission to be obligated to the railroads for carrying the mails for the past three years to the extent of \$45,000,000 over and above the remuneration agreed upon between the railroads and the Post Office Department?

As I understand it, that results from some provision in the interstate commerce law whereby the railroads may have the right to review these contracts or obligations entered into by the Post Office Department with the railroads for carrying the mail; that under that law and the ruling of the commission it is claimed that the Government is obligated to pay an increased amount of \$45,000,000 over and above the agreed compensation. I understand that has been taken to the Supreme Court of the United States from the award made by the Interstate Commerce Commission and affirmed by the Court of Claims. I want to know what action, if any, is being taken to protect the rights of the Government in this matter; whether any action is being taken at this time, so that the fullest review of the matter may be had by the Supreme Court of the United States.

Mr. WASON. Mr. Speaker, I expect that that matter would be handled by the Attorney General's office. It does not come before our committee. We are not a legislative committee in any event. Perhaps some legislative committee may have charge of it.

Mr. BRIGGS. This committee did not give any consideration to that phase of it?

Mr. WASON. No. The subject was not brought to our attention. We deal entirely with appropriations. If it was in the nature of a judgment it might come before us, but until that time we would not know.

Mr. BRIGGS. My understanding was that it might be necessary to come before the Congress for an appropriation of, say, \$13,000,000, to pay for the period of one year, and then probably

additional sums until the total amount of \$45,000,000 extra was appropriated; but the gentleman says that he knows nothing about that?

Mr. WASON. "No."

Mr. BYRNS. Mr. Chairman, it is my recollection—and I may be mistaken—that the deficiency bill at the last session carried a certain sum which was made necessary by the increase to the carriers for carrying the mails, due to this order of the Interstate Commerce Commission. I remember the matter was discussed before the deficiency committee from the viewpoint of additional appropriations required.

Mr. BRIGGS. Have any payments been made upon those claims before the Supreme Court of the United States has finally adjudicated that the Government is actually liable therefor?

Mr. BYRNS. I do not mean to say that, but I do have a distinct recollection that the Postmaster General made a statement, or representatives from the Post Office Department, that the postal expenditures had been considerably increased by this ruling of the Interstate Commerce Commission. I was not aware that there had been any appeal to the Supreme Court in the matter. The Interstate Commerce Commission was given authority, as I recall, by a statute to review the rates, and a hearing was had before the Interstate Commerce Commission on a petition from the railroads, which, as I recall, was resisted by the Post Office Department and was adjudicated in the manner stated by the gentleman.

Mr. CHRISTOPHERSON. There was a report that it would be taken into the courts.

Mr. BYRNS. I am reminded by the gentleman from South Dakota that the matter was taken into the courts.

Mr. BRIGGS. The thing that I am interested in is in knowing whether in truth and in fact that is being done. It is my understanding that the matter was heard on an appeal before the Court of Claims; that it was taken into the Court of Claims and the order of the Interstate Commerce Commission affirmed.

Then I have heard that the Government was appealing it to the Supreme Court of the United States, and I wanted to have that made clear. I wanted to make sure that the matter was being carried to the highest court in the land for final determination, so that the Government would not be subjected to this huge liability until the Supreme Court had actually said that it is liable.

Mr. WASON. Mr. Chairman, I agree with the line of reasoning of my colleague from Texas, but we have no power in this committee to further his wish.

Mr. BRIGGS. I thought perhaps the committee had received some information about it in the course of the hearings.

The CHAIRMAN. Without objection the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

To enable the United States Shipping Board Merchant Fleet Corporation to operate ships or lines of ships which have been or may be taken back from purchasers by reason of competition or other methods employed by foreign ship owners or operators, there is hereby reappropriated the unexpended balance of the appropriation of \$10,000,000 made for similar purposes in the independent offices appropriation act for the fiscal year 1927: *Provided*, That no expenditure shall be made for the purposes of this paragraph from this sum without the prior approval of the President of the United States.

Mr. LA GUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LA GUARDIA: Page 38, line 25, strike out the period, insert a colon, and add the following: "*Provided*, That no part of the sums appropriated in this act shall be used to pay the wages or salary of any alien seaman or steward if suitable American citizens are available for such employment."

Mr. WASON. Mr. Chairman, on that I reserve the point of order.

Mr. LA GUARDIA. That is not subject to the point of order. We may as well dispose of that first. I would like to hear the gentleman.

Mr. WASON. It is imposing an executive duty on every person who pays an employee of the Shipping Board. He must first find out whether there is an American available for those positions.

Mr. LA GUARDIA. Certainly; he has to find out the citizenship of everybody on the ship's manifest.

Mr. WASON. No; he has to find out whether there is an American citizen available for the job.

Mr. LA GUARDIA. If there is any doubt in the chairman's mind, I am ready to argue the point of order; but I think the burden is on the gentleman making the point of order.

The CHAIRMAN. The Chair will be very glad to hear from the gentleman.

Mr. WASON. Mr. Chairman, it is imposing an executive duty upon the Shipping Board to determine the fact when they pay an employee or a steward whether there is an American citizen available for that work at the time that an alien is employed. Further than that, it is legislation on an appropriation bill.

Mr. GARRETT of Tennessee. Mr. Chairman, may we have the proposed amendment again reported?

The CHAIRMAN. Without objection, the Clerk will again report the LaGuardia amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. LaGUARDIA. Now, Mr. Chairman, that is absolutely a limitation. It imposes no new duty upon the employing official of the United States Shipping Board, United States Lines. As everyone on the floor knows, when a person is employed by a ship his citizenship must be ascertained. It must go on the ship's manifest, and whether or not an American citizen is available is known to the Shipping Board through their own employment agency. It adds no new duty; it is clearly a limitation on the appropriation. There are several limitations on this appropriation for the Shipping Board and Emergency Fleet Corporation.

Mr. WASON. Mr. Chairman, not having had time to look that amendment over until a second before it was offered, I will withdraw my objection.

The CHAIRMAN. The question is on the amendment.

Mr. WOOD. Mr. Chairman, I desire to rise in opposition to this amendment.

Mr. LaGUARDIA. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LaGUARDIA. I do not waive my right to speak to my amendment after the gentleman from Indiana.

The CHAIRMAN. The gentleman from New York has the floor on his amendment.

Mr. WOOD. Let the gentleman go on then.

Mr. GARRETT of Tennessee. Does the gentleman withdraw his amendment or the point of order?

The CHAIRMAN. The point of order is withdrawn.

Mr. LaGUARDIA. Mr. Chairman, as I pointed out this morning, the United States Lines are not only employing aliens but they are employing aliens in preference to American citizens. The *Leviathan*, which sailed on December 5, had in the steward's department 204 citizens and 452 aliens. The *George Washington*, which sailed on December 12, had in the steward's department 62 citizens and 257 aliens, over 4 to 1. The *America*, which sailed on December 27, had 67 citizens and 166 aliens in the steward's department; and the average runs along about the same proportion to every ship.

Mr. McDUFFIE. Where does the gentleman get his information?

Mr. LaGUARDIA. Does the gentleman want to know?

Mr. McDUFFIE. Yes.

Mr. LaGUARDIA. From the Shipping Board.

Mr. McDUFFIE. That is the reason I asked; I wanted to know it.

Mr. LaGUARDIA. From the assistant director of the sea-service bureau.

Mr. McDUFFIE. I am very much obliged. I did not speak simply to hear my voice.

Mr. LaGUARDIA. Perhaps the gentleman thought I was off in my figures, but they are right.

Mr. WILLIAM E. HULL. I am asking for information; is it not almost impossible to secure Americans to do the work that these men have to do?

Mr. LaGUARDIA. No.

Mr. WILLIAM E. HULL. Where does the gentleman get the information?

Mr. LaGUARDIA. From the same source. I am advised by the director of the sea service bureau, New York, that the Merchant Line running out of New York has 97 per cent American citizens in their crew. There is no such thing as the work being menial. All honest work is honorable. The gentleman who is an expert on hotels knows that he can go to every first-class hotel in this country and in the best hotels the waiters, which correspond to this steward's department, are American citizens.

Mr. WILLIAM E. HULL. You do not mean to tell me they are American citizens born in this country?

Mr. LaGUARDIA. They are American citizens, nevertheless.

Mr. WILLIAM E. HULL. Are not these picked up on the other side because they can not get them on this side?

Mr. LaGUARDIA. No.

Mr. WILLIAM E. HULL. My judgment is that the class of labor they need for this purpose to compete with other ships is in many cases to put in this foreign labor because they work mostly for the tips and the American will not.

Mr. LaGUARDIA. No. The salaries are fixed. My amendment does not affect the salaries. As the gentleman points out, they do recruit these men on the other side. These men have families on the other side. They do not contribute anything to our community. These ships are operated with public funds, and it is just as necessary to build up our own body of seamen on our ships as to build up the operation of the ships. At this time I charge that not only are the majority of these people aliens, but that American citizens are discriminated against in securing employment on United States Line ships.

Mr. WILLIAM E. HULL. Can you prove that American citizens are discriminated against?

Mr. LaGUARDIA. Yes. I can by citing the number who apply for these jobs and can not get them.

Mr. WILLIAM E. HULL. If the gentleman will only listen I will say—

Mr. LaGUARDIA. I prove that; and I prove that the men are available by citing the fact that the crews of American merchant lines are 97 per cent American.

Mr. WILLIAM E. HULL. That does not prove it. If you prove that a lot of Americans have made application for these places and have been turned down, that would be something definite; but you are not proving your contention by citing the fact that other lines hire American citizens to fill these places.

Mr. LaGUARDIA. The Merchant lines are running out of New York with 97 per cent American crews. The gentleman asked for the proof. I have furnished the proof.

Mr. WILLIAM E. HULL. You do not prove your contention by citing what other lines do.

Mr. LaGUARDIA. I have proved my charge, and I have shown you the figures.

Mr. WILLIAM E. HULL. You did not say what I said.

Mr. LaGUARDIA. I do not believe that with all that Congress is doing for the American merchant marine, as generously as we are appropriating funds to assist in the operation of these ships, we can afford to take a stand to-day and turn down an amendment that simply asks that American citizens be given the preference for employment on these ships. [Applause.]

Mr. WOOD. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. WOOD. Mr. Chairman, the task of obtaining employees for this steward service on the ships is certainly a very difficult one. They tell me it requires more time and more investigation and the exercise of a greater amount of judgment than is needed in the selection of the other employees needed by the Shipping Board. Instead of helping the merchant marine we will severely handicap it if we put this restriction upon it.

I take it for granted that, other things being equal, Americans would be employed in all these jobs. I take it for granted that we should select American citizens in the same spirit as the Englishman would select Englishmen.

We are selfish enough to do that. We have more confidence in our own people than we have in foreigners. But many cases arise where it is impossible to get Americans to fill these places, and if you are going to put this restriction in this bill you will open up the doorway to all sorts of troubles and all sorts of pulling and hauling and haranguing. Suppose there is a place open on board a ship and the authorities are looking for some one to fill it. Here is a man who has some one with him who says the law says you must employ the man if the man is an American citizen. He may or he may not be suitable. The fact that you are putting this restriction in gives opportunity for all this trouble. You ought to have the responsibility for the selection of these employees with the men who understand and control this employment.

Mr. LaGUARDIA. I leave that entirely in the discretion of the employing authorities.

Mr. WOOD. Yes; but every time a person presents himself and says he is available, you open the door for a lot of trouble, and we know they have enough trouble there now.

Mr. LEHLBACH. What is the standard as to suitability? Is it going to be left to the employing authorities or the courts to determine that?

Mr. WOOD. I say it simply opens up the doorway for all sorts of argument and trouble.

Mr. LaGUARDIA. Is not the gentleman aware of the discrimination that exists against the employment of American citizens in these ship lines?

Mr. McDUFFIE. The figures that I have show that on all boats operated by the Shipping Board—not all under the American flag—as high a percentage as 89 per cent of American crews is carried. Certainly the deck crews and the navigating personnel are all American citizens.

The gentleman from Indiana is correct when he says we will add to the troubles, or multiply the troubles, that already handicap them now if we adopt this amendment.

Mr. LaGUARDIA. I want to say now that if you take that attitude toward American labor some of us may take a similar attitude on the tariff.

Mr. SCHAFER. Mr. Chairman, I rise in favor of the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized.

Mr. SCHAFER. Mr. Chairman, after listening to the statement of the gentleman from Indiana [Mr. Wood], I can not but reach the conclusion that we should adopt this amendment. Those who oppose this amendment are strong advocates of a tariff on foreign products, which compete with the products of the United States Steel Corporation and other corporations, in order to protect the interests and welfare of the American people from unfair competition of foreign business and labor. They are also strong advocates of an American merchant marine. It is almost unbelievable that they should be voicing opposition to this amendment which gives preference to American citizens, as against aliens in the service of the merchant marine operated by the American Government at a considerable expense to the American taxpayers.

Those who are in favor of a reasonable protective tariff to protect the industry and the labor of America, and those who are advocating the policy of maintaining a truly American merchant marine should support this amendment. There is no good reason why American citizens should walk the streets out of employment while our Government continues to employ aliens, most of whom are not even residents of America.

Mr. ABERNETHY. Will the gentleman yield?

Mr. SCHAFER. For a brief question.

Mr. ABERNETHY. Then the gentleman admits there is unemployment in this country under this prosperous Republican administration?

Mr. SCHAFER. The gentleman will admit that there is unemployment, but not nearly as much as stated by the gentleman from New York, the Hon. Alfred E. Smith, during the last campaign. There is nowhere near the amount of unemployment as there was at the close of the last Democratic administration.

Mr. BLAND. Mr. Chairman, I offer an amendment to the amendment: In the last line of the amendment, after the word "are," insert "in the opinion of the United States Shipping Board," between the words "are" and "available."

Mr. LaGUARDIA. Mr. Chairman, I will accept that amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLAND to the amendment offered by Mr. LaGUARDIA: In the last line of the amendment, after the word "are," insert the words "in the opinion of the United States Shipping Board."

Mr. BLAND. Mr. Chairman, I ask that the amendment be reported as it would read with the amendment I have offered, if adopted.

The CHAIRMAN. Without objection, the Clerk will report the amendment with the amendment to the amendment.

There was no objection.

The Clerk read as follows:

Provided, That no part of the sums appropriated in this act shall be used to pay the wages or salary of any alien seamen or steward if suitable American citizens are, in the opinion of the United States Shipping Board, available for such employment.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York, as amended.

The question was taken; and on a division (demanded by Mr. LaGUARDIA) there were—ayes 20, noes 34.

So the amendment was rejected.

Mr. WASON. Mr. Chairman, on page 38, at line 12, I would like to correct the figures. They are printed as June 30, 1928, whereas they should be June 30, 1929.

The CHAIRMAN. Without objection, the correction will be made.

There was no objection.

The Clerk read as follows:

Total, United States Shipping Board, \$11,494,000: *Provided*, That of the sums herein made available under the United States Shipping Board not to exceed an aggregate of \$350,000 shall be expended for compensation of regular attorneys employed on a yearly salary basis and for fees and expenses of attorneys employed in special cases.

Mr. LaGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LaGUARDIA: On page 39, line 23, strike out the period, insert a colon, and add the following: "*Provided further*, That no part of the funds by this act appropriated shall be used to pay dues, fees, expenses, or disbursements for membership in the Continental Conference, the Mediterranean Conference, or in any permanent conference, committee, pool, agreement, or trust controlled by foreign steamship companies or in which the majority of members are foreign steamship companies."

Mr. WASON. Mr. Chairman, I make a point of order against the amendment as being legislation on an appropriation bill.

The CHAIRMAN. As the Chair looks upon this, it appears to be a limitation, and the Chair holds it in order.

Mr. LaGUARDIA. Mr. Chairman, the purpose of my amendment is to prevent the United States from continuing in a ridiculous position by reason of its membership, through the United States Lines, in the Continental Conference. The sailings, the schedules, the freight rates, the passenger rates, and the commissions paid to agents are all controlled by this conference which, in turn, is controlled by foreign steamship companies. Right under the noses of the officials of the United States Lines, the foreign steamship companies tell the United States Lines when they can sail, where they can sail, what they can charge; and then they come in and compete in the Cuban service, which for a long time was under the control of American ships. Last year the United States Shipping Board was told by the British companies that they could not increase their Indian trade; that their ships coming through the Suez Canal could not stop in India and take cargoes there, and they humbly bowed and submitted to that dictation.

Now, this continental conference is nothing but a pool or trust. It regulates the rates, which I believe is made legal under a provision of the shipping laws by simply filing a copy of the agreement with the United States Shipping Board. The United States Lines are outvoted in that conference about 8 to 1. We are entirely at their mercy.

Why, we brag and talk about what we are doing for our merchant marine. If we continue the recruiting for this marine service in foreign countries, as you have just sanctioned by your vote a few moments ago, and if we continue to permit the United States Lines to spend public funds for membership in these conferences controlled by foreign steamship companies, then, indeed, we are wasting millions of dollars of the taxpayers' money, because we are not building a permanent American merchant marine, but simply playing second fiddle to Great Britain.

We have a rate war now, only it is one-sided. We go into the conferences in absolute good faith and we abide by the rules of the conference; we abide by the terms of the conference, and yet the foreign steamship companies compete with American lines and they are practically putting them out of business. I can not for the world see how anyone on the floor of this House can stand up and vote against this amendment unless, of course, he is looking after the interests of some British steamship company, and it would appear that the British steamship companies have a great many friends in this country.

Why, everything we do under a conference we have to submit to them. When our vessels are to sail must be submitted to them; how much commission we pay the ticket agents or the freight agents must be submitted to them.

I suppose some one will say this conference is a good thing. I would like to hear from anyone a justification of a membership in a conference which limits the sailing of American ships and then turns around and increases their own sailings in competition with an agreed schedule.

Mr. McDUFFIE. Will the gentleman yield for a question?

Mr. LaGUARDIA. Yes.

Mr. McDUFFIE. Suppose an occasion arose where those charged with the duty of operating these ships thought it was necessary to go into such a conference. The gentleman can imagine such a situation?

Mr. LaGUARDIA. Certainly.

Mr. McDUFFIE. Under the language of the gentleman's amendment we could not have a representative at such a conference.

Mr. LAGUARDIA. What benefit are we getting from it now? Mr. McDUFFIE. As I have said, conditions may change.

Mr. LAGUARDIA. All right then, my amendment would not prevent a representative of the United States Lines conferring at any time or at all times with representatives of other lines, but this is a permanent institution. This is a real institution. The continental conference exists and it is an institution and the United States Lines through its membership is under the control and dictation of foreign steamship companies.

Mr. McDUFFIE. How much dues?

Mr. LAGUARDIA. Oh, whatever it is, I do not know. The terms are on file with the United States Shipping Board and this conference actually fixes the sailings and the rates and the commissions, and, as I said this morning, they limit the commissions paid to steamship agents and then they phone the agents to disregard them.

Mr. WOOD. Mr. Chairman, I rise in opposition to this amendment.

I wish to say there is some truth in what the gentleman from New York [Mr. LAGUARDIA] has said with reference to violation of the rules adopted by these conferences, but if we are not to take part in them we will be infinitely worse off than we are now. It is true they adopted rates for the carrying of freight and for the carrying of passengers and they are supposed to keep the faith, but there is a rate war almost every year between the different shipping interests of the world.

If we are not represented, however, at these conferences the very gentlemen who are taking advantage of us now because of the fact we do keep the faith and they do not would be in a position to go a great deal further than they are going now, and simply say, "You did not take any part in our conference; you are not to be heard to complain now because of the fact that you might have come and presented your grievances or might have come and presented your views with reference to what the rates should be or should not be."

So we can not be hurt any more by staying in the conference and we can be hurt infinitely more if we stay out of it. I think when somebody is plotting against us we had better have somebody there to know what the plot is. I think when somebody is trying to intrigue against us we had better have some one there who will know the facts and then try to checkmate them the best we can. So there is every reason why we should still have a representative at this conference even though its agreements are violated, and there is no reason why we should not have some one there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

For printing and binding for the United States Veterans' Bureau, including all of its bureaus, offices, institutions, and services located in Washington, D. C., and elsewhere, \$125,000.

Mrs. LANGLEY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and members of the committee, with all the earnestness at my command I wish to urgently plead with the membership of this great body to pass this appropriation of \$1,500,000 for reconditioning and operating ships for carrying coal to foreign ports. This appeal comes from one who lives in the heart of the coal fields of eastern Kentucky and one who is daily confronted with the paralyzed and depressed conditions of the coal industry, and is therefore in a position to know first-hand the pressing and desperate need for aid and relief.

The amount of this appropriation, together with the unexpended balance of the \$1,000,000 authorized at the first session

of the Seventieth Congress, will greatly strengthen us in the establishment and maintenance of the channels of export coal trade to foreign markets, which is most essential if we are to have any relief from the problem of overproduction.

It is the consensus of opinion and incontrovertible that the farmers of the Middle West, the textile manufacturers of the East and South, and the coal-producing States are in distress and need the immediate and instant attention of Congress. These are present-day pressing problems, and we are not doing our full duty to the working masses of our country if we do not grasp every opportunity to meet their needs and solve their problems. I contend that only by legislation can the rehabilitation and the stabilization of these great national assets be obtained.

As has been stated, the appropriation of \$1,000,000 so generously granted at the last session was in the nature of an experiment; that is, to ascertain if it were feasible and of economic value as well as relief for overproduction to send our coal abroad. While the funds were available July 1, the Shipping Board did not begin work until October, 1928, thus making it impossible for those of us vitally concerned in this legislation to give you the exact facts and figures proving our contention that export coal trade will be of great value to the coal industry. Time will assuredly convince the business world that the policy of carrying our coal to foreign markets will be vastly beneficial to the great body of Americans who are striving to market coal at a reasonable ratio of profit.

This appropriation makes it possible for our Stars and Stripes, the red, the white, the blue, to proudly wave on the high seas, carrying the message to our mothers and sisters on foreign shores that we are the proud possessors of the king of energy—the finest coal in all the world. I thank you. [Applause.]

The pro forma amendment was withdrawn.

The Clerk completed the reading of the bill.

Mr. BRIGGS. Mr. Chairman, I would like to have printed in the RECORD the statement in the hearings showing the results of the operations of the Shipping Board during the year 1928.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

Mr. TILSON. Reserving the right to object, is not that rather a large table?

Mr. BRIGGS. It is a table in form, but not very long.

Mr. TILSON. In what kind of a form does the gentleman think it can be printed in the RECORD?

Mr. BRIGGS. The usual form; it will go on two pages of the RECORD.

Mr. TILSON. It may require an inset.

Mr. BRIGGS. I do not think so; I think it can be set up on two pages. It shows the operation of the Shipping Board for 1928, and I think it will be informative to Members.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BRIGGS. In order that the people of the United States may know the result of the operation of the Government fleet during the fiscal year 1928 the following statement submitted by the Shipping Board is presented. Without the services of the Government fleet the people of the United States would have paid many millions more in increased ocean freight rates than the amount of the operating deficit, and could not have transported the agricultural and manufactured products of this country to foreign lands with the needed expedition and dispatch. Adequate transportation facilities have assured delivery of American products in foreign markets when prices were best and the goods wanted. But for our own ships to serve our needs, the farmers and producers of various products would have lost additional millions in the shrinkage in the value of their commodities.

United States Shipping Board Merchant Fleet Corporation—Results of vessel operation by managing agents and trades, fiscal year 1928

[Loss indicated by italic figures]

Managing agent	Trade	Number of terminal	Cargo, tons	Voyage revenue	Voyage expense						
					Wages	Food, departmental stores, and equipment	Fuel	Stevedoring	Other cargo expense	Port charges	Commissions, fees, and brokerage
FREIGHTERS											
America-France Line ----	North Atlantic, French Atlantic.	63	420, 174	\$2, 091, 064. 97	\$368, 869. 70	\$146, 391. 94	\$591, 271. 94	\$546, 990. 23	\$228, 269. 02	\$176, 536. 90	\$204, 800. 40
America-Austria Orient Line.	Pacific, Austria and Orient.	54	724, 165	4, 500, 744. 61	825, 837. 98	445, 724. 81	781, 614. 60	1, 098, 068. 24	204, 496. 55	348, 682. 29	409, 616. 85
Inactive vessels -----		(5)			3, 155. 79	1, 626. 18	397. 70			783. 00	

United States Shipping Board Merchant Fleet Corporation—Results of vessel operation by managing agents and trades, fiscal year 1928—Continued
[Loss indicated by italic figures]

Managing agent	Trade	Number of terminal	Cargo, tons	Voyage revenue	Voyage expense						
					Wages	Food, departmental stores, and equipment	Fuel	Stevedoring	Other cargo expense	Port charges	Commissions, fees, and brokerage
FREIGHTERS—continued											
America-Brazil Line.....	North Atlantic, North Brazil.	1	1,734	\$14,020.81	\$7,642.63	\$3,787.39	\$11,295.83	\$2,957.98	\$2,841.80	\$3,533.67	\$1,527.99
America-Diamond Lines.....	North Atlantic, Antwerp, Rotterdam.	104	825,175	3,756,799.81	743,722.08	316,376.60	946,399.68	1,068,990.19	346,885.63	266,631.58	416,522.56
Inactive vessels.....		(8)			9,793.94	3,710.07	2,895.27			2,390.67	
America-Dixie Line (became inactive Nov. 2, 1927).	New Orleans and Texas ports—U. K.	37	211,817	1,780,715.58	302,742.21	145,216.69	468,105.89	380,327.81	154,249.97	146,939.86	176,029.81
Inactive vessels.....		(29)			33,347.00	21,234.45	10,753.47			3,550.96	
America-India Line.....	North Atlantic, British India.	10	135,263	975,043.11	178,588.22	77,535.22	338,648.72	194,499.67	69,651.60	67,825.90	90,637.14
Do.....	Miscellaneous.....	2	18,975	155,557.50	22,373.21	13,370.47	30,231.16	18,709.68	5,646.29	6,495.14	14,183.28
Inactive vessels.....		(3)			4,120.14	1,897.35	1,106.72			803.50	
America-Merchant Lines.....	North Atlantic, East U. K.	25	141,025	1,038,430.66	202,425.00	90,781.79	283,119.89	268,210.09	55,139.75	127,670.31	98,193.46
Do.....	Miscellaneous.....	1			2,489.74	1,193.00	1,474.69	4,849.86	66.25	1,044.38	311.00
Inactive vessels.....		(3)			3,149.46	1,626.97	1,331.48			176.00	
American Orient Mail Line.....	Puget Sound—Orient.	25	277,556	1,455,526.84	253,744.56	140,253.20	339,363.08	295,154.90	22,176.07	78,285.80	141,885.05
American Palmetto Line.....	South Atlantic, United Kingdom and Continent.	46	319,325	1,822,420.55	405,187.40	187,132.40	548,321.03	380,677.11	94,357.50	211,560.85	184,771.87
Inactive vessels.....		(18)			22,367.30	11,995.83	7,916.80			1,240.58	
American Pioneer Line (became inactive Mar. 12, 1928).	North Atlantic and Gulf, Orient and Dutch East Indies.	20	318,461	2,747,823.24	479,108.55	235,494.16	645,317.61	380,933.71	161,317.53	151,939.37	273,303.21
Inactive vessels.....		(9)			5,507.81	2,630.18	1,197.10			3,064.44	
American Pioneer Line—Atlantic division.	North Atlantic—Orient and Dutch East Indies.	4	58,847	464,548.20	86,183.08	34,141.24	92,148.13	70,677.69	25,752.87	21,738.08	43,647.00
Inactive vessels.....		(10)			10,110.56	5,360.74	2,952.90			2,472.88	
American Pioneer Line—Gulf division.	Gulf—Orient and Dutch East Indies.	7	109,639	1,026,178.72	153,700.19	65,453.59	179,487.38	129,540.57	35,163.12	45,894.43	99,222.76
Inactive vessels.....		(26)			40,121.41	21,219.18	18,220.27			6,577.61	
American Premier Line (became inactive Nov. 7, 1927).	Gulf—Mediterranean.....	12	60,777	456,134.04	110,223.99	45,881.62	155,660.31	62,215.58	27,650.46	41,587.67	45,428.95
Inactive vessels.....		(8)			8,608.40	4,594.91	2,344.65			1,039.30	
America-Republics Line.....	North Atlantic—East Coast South America.	43	462,463	3,667,387.38	547,605.58	288,820.96	855,035.54	891,511.80	220,389.14	376,680.17	358,375.80
Inactive vessels.....		(8)			8,955.98	7,502.01	3,118.62			1,452.64	
America-Scantic Line.....	North Atlantic—Scandinavia and Baltic.	15	158,965	986,248.18	145,961.67	73,821.95	245,374.65	232,466.77	62,016.56	76,547.12	85,337.62
America-Scantic Line (became inactive Jan. 14, 1928).	Miscellaneous.....	1			3,754.97	2,378.50	1,610.36			1,542.63	
Inactive vessels.....											
American West African.....	North Africa—West Africa.	27	264,549	3,313,374.17	445,924.27	258,487.18	614,468.10	435,294.21	367,869.83	158,584.11	397,970.02
Inactive vessels.....		(19)			26,439.79	10,808.27	6,835.50			3,024.40	
Atlantic Australia.....	North Africa—Australia.	19	282,978	2,216,941.36	431,059.01	200,948.89	401,809.71	502,274.64	184,344.96	183,731.72	233,043.73
Inactive vessels.....		(18)			22,828.51	8,608.68	6,192.56			4,845.03	
Dixie Mediterranean.....	New Orleans and East Gulf—Mediterranean.	12	66,778	479,448.49	123,820.60	52,937.30	151,830.38	73,610.93	22,024.86	43,092.81	48,003.93
Inactive vessels.....		(3)			3,608.93	3,843.55	766.48			211.00	
Dixie U. K.....	New Orleans and East Gulf—U. K.	42	246,086	1,881,895.09	335,542.56	153,500.45	436,167.85	401,377.84	172,397.53	124,769.49	186,268.35
Inactive vessels.....		(9)			11,347.17	4,432.14	3,735.21			1,520.00	
Gulf Branch River Plate.....	Gulf—East Coast South America.	38	435,871	3,067,804.49	531,602.19	222,842.16	652,918.40	540,294.38	150,426.46	238,505.17	327,235.14
Inactive vessels.....		(17)			18,114.36	7,207.02	3,849.63			1,643.59	
Gulf West Mediterranean.....	Gulf—Port Spain and North Africa.	34	224,761	1,584,625.62	313,482.19	121,361.58	381,231.89	253,307.50	69,261.89	134,938.29	164,967.99
Inactive vessels.....		(10)			15,446.64	6,661.54	2,886.50			2,070.41	
Mississippi Valley European.....	New Orleans—France and Belgium.	24	170,169	1,039,318.52	209,158.52	77,683.74	273,536.93	160,408.13	62,506.51	58,159.53	103,098.00
Inactive vessels.....		(14)			22,736.53	9,971.12	5,674.20			2,635.12	
Mobile Oceanic.....	East Gulf—U. K. and Continent.	66	399,824	2,868,855.50	534,896.54	243,448.72	777,743.98	617,705.36	167,547.53	209,046.27	292,183.66
Inactive vessels.....		(19)			30,973.34	22,415.38	4,820.05			3,179.77	
Oregon Oriental.....	Portland—Orient.	37	490,500	2,305,241.45	416,708.63	225,392.91	451,465.73	477,490.69	62,930.00	123,802.26	232,835.88
Inactive vessels.....		(2)			1,822.77	1,161.93	400.05			174.50	
Oriole.....	North Atlantic—W. U. K. and Ireland.	100	459,236	3,262,555.23	686,954.52	315,766.62	729,270.46	792,402.33	321,013.63	402,947.29	313,878.11
Inactive vessels.....		(52)			63,803.83	35,891.15	10,027.55			9,014.37	
Southern States.....	New Orleans and Texas ports—Holland and Germany.	110	819,417	4,537,706.02	929,959.27	365,792.25	1,389,746.93	932,971.08	242,092.34	374,831.30	460,087.89
Inactive vessels.....		(45)			59,378.52	27,503.02	22,020.12			8,814.78	
Texas Mediterranean.....	Texas ports—Mediterranean.	7	27,521	233,112.83	57,039.34	24,615.67	74,482.59	30,985.66	8,102.52	21,422.24	23,483.08
Inactive vessels.....		(3)			2,706.10	1,023.65	772.49			277.00	
Texas Star.....	Texas ports—France and Belgium.	44	288,107	1,899,105.41	366,727.77	141,624.05	516,516.46	348,988.02	85,676.51	171,152.94	188,897.32
Inactive vessels.....		(19)			30,232.76	12,583.68	8,242.78			7,868.18	
Texas Ukay.....	Texas ports—U. K. and Irish ports.	27	177,651	1,259,331.59	238,812.42	114,587.98	307,277.21	275,954.43	134,684.22	117,570.15	125,089.44
Inactive vessels.....		(15)			22,546.54	14,889.69	7,317.57			4,849.86	
Yankee.....	North Atlantic except New York—Hamburg, Bremen.	38	254,410	1,270,126.50	277,756.67	129,352.35	435,831.99	346,404.45	95,997.41	103,598.68	121,792.21
Inactive vessels.....		(11)			13,811.69	6,311.13	5,417.63			2,008.92	
Adjustments for fiscal year (active voyages).											
Total voyages—freighters.....		1,095	8,852,219	58,218,086.53	10,739,665.26	4,962,097.38	14,108,779.10	12,222,260.53	3,862,946.31	4,617,888.40	5,862,635.10
Total inactive vessels.....		(383)			495,035.27	256,709.82	141,193.30			75,688.51	
Total freighters.....		1,095	8,852,219	58,218,086.53	11,234,700.53	5,218,807.20	14,249,972.40	12,222,260.53	3,862,946.31	4,693,576.91	5,862,635.10

United States Shipping Board Merchant Fleet Corporation—Results of vessel operation by managing agents and trades, fiscal year 1928—Continued

[Loss indicated by italic figures]

Managing agent	Trade	Number of terminal	Cargo, tons	Voyage revenue	Voyage expense						
					Wages	Food, departmental stores, and equipment	Fuel	Stevedoring	Other cargo expense	Port charges	Commissions, fees, and brokerage
PASSENGERS											
American Merchant Lines.	New York-London	52	{ 15,279 164,236 }	\$2,651,071.63	\$325,232.85	\$254,931.64	\$682,753.24	\$384,728.11	\$219,182.31	\$97,984.75	\$261,406.30
Inactive vessels		(10)			21,715.65	16,070.75	10,988.24			2,798.75	
Total		52	{ 15,279 164,236 }	2,651,071.63	346,948.50	271,002.39	693,741.48	384,728.11	219,182.31	100,783.50	261,406.30
United States Lines.	New York-Bremen	42	{ 146,857 197,109 }	8,035,185.55	1,153,572.55	1,532,613.76	1,410,174.16	316,145.49	178,391.86	446,018.68	1,297,744.84
Do	New York-Bremen (lay-up).				99,280.34	78,992.26	40,705.26			9,175.66	111,056.01
Total, Bremen		42	{ 146,857 197,109 }	8,035,185.55	1,252,852.89	1,611,606.02	1,450,879.42	316,145.49	178,391.86	455,194.34	1,408,800.85
	New York-Southampton	15	{ 141,260 24,785 }	8,046,663.21	847,742.79	1,334,024.27	1,958,382.61	17,917.15	33,671.43	483,660.21	1,131,325.48
	New York-Southampton (lay up).				96,187.22	75,569.53	46,269.28		13,822.91	120,441.09	
Total, Southampton.		15	{ 141,260 24,785 }	8,046,663.21	943,930.01	1,409,593.80	2,004,651.89	17,917.15	33,671.43	497,483.12	1,251,766.57
Total Mediterranean.	New York-Mediterranean cruise.	4	{ 1774 }	184,330.22	70,659.75	79,194.37	127,014.43		797.42	16,594.16	86,039.15
Total United States Lines.		61	{ 188,891 201,894 }	16,266,178.98	2,267,442.65	3,100,394.19	3,582,545.74	334,062.64	212,860.71	969,271.62	2,746,606.57
TANKERS											
Merchant Fleet Corporation:											
New York district	Atlantic, domestic	17	150,882	176,023.81	33,585.70	17,283.25	39,715.83			15,147.71	963.05
Do	Atlantic, foreign	1	14,764	51,290.11	8,447.61	3,598.55	11,209.52			4,748.43	283.12
Inactive vessels		(8)			6,992.39	5,824.81	2,694.92			1,685.50	
San Francisco district	Pacific, domestic	9	89,100	161,907.37	21,925.73	9,917.11	19,050.10		81.56	4,999.65	
Do	Pacific, foreign	5	52,236	148,896.68	29,565.51	15,323.60	29,576.44	22.50	8,048.95	4,377.21	785.54
Do	Intercoastal	1	9,581	40,440.05	4,969.46	2,223.88	5,484.45			651.29	
Inactive vessels		(17)			16,901.85	7,681.28	1,711.29			3,663.40	
McAllister Bros.	Atlantic coastwise	9	73,978	130,765.33	18,031.70	9,456.82	26,837.31			11,179.41	8,043.76
Became inactive Oct. 20, 1927.	Intercoastal	8	71,185	283,799.61	38,442.59	14,983.32	45,244.06			6,527.05	8,099.92
Inactive vessels		(2)			1,244.33	709.81	943.95			402.50	
Struthers & Barry	Pacific, coastwise	4	40,654	63,613.42	7,345.08	3,146.01	8,090.18			2,633.02	2,094.49
Do	Pacific, foreign	7	66,162	184,181.06	36,009.45	17,666.53	38,181.39		127.80	5,966.47	6,218.51
Became inactive Nov. 2, 1927.	Intercoastal	3	29,593	124,354.19	16,753.90	8,533.52	18,267.63			3,680.10	3,013.86
Total tanker voyages.		64	598,135	1,365,241.63	215,076.73	102,132.59	241,656.91	22.50	8,258.31	59,910.34	29,502.25
Total inactive tankers.		(27)			25,138.57	14,215.90	5,350.16			5,751.40	
Total tankers		64	598,135	1,365,241.63	240,215.30	116,348.49	247,007.07	22.50	8,258.31	65,661.74	29,502.25
TUGS											
Merchant Fleet Corporation.	Gulf district	8		53,484.75	10,654.31	4,683.54	8,339.92			179.86	
Total tugs		8		53,484.75	10,654.31	4,683.54	8,339.92			179.86	

Managing agent	Trade	Voyage expense		Adjustment	Insurance	Repairs		Advertising	Administrative expense	Total expense	Profit or loss
		Miscellaneous	Total voyage expense			Maintenance	Betterments				
FREIGHTERS											
America-France Line...	North Atlantic, French Atlantic.	\$24,048.37	\$2,287,187.50	\$5,173.54	\$112,926.51	\$163,415.96	\$3,755.00	\$6,011.01	\$118,724.85	\$2,686,847.29	\$595,782.32
America-Austria Orient Line.	Pacific, Austria, and Orient.	84,872.50	4,198,913.82	33,479.10	267,832.20	294,425.07	11,899.46	14,913.05	281,160.70	5,102,623.40	541,878.79
Inactive vessels		100.50	6,063.17		328.46	4,118.15				10,509.78	10,509.78
America-Brazil Line	North Atlantic, North Brazil.	524.61	34,111.90		2,171.54	130.00		146.71	2,188.52	38,746.67	24,755.88
America-Diamond Lines.	North Atlantic, Antwerp, Rotterdam.	49,392.11	4,154,920.43	62,936.00	217,353.63	239,796.75	8,189.96	11,700.78	228,106.84	4,923,004.39	1,166,804.58
Inactive vessels		999.68	19,789.63		1,037.41	30,679.23	2,299.98			53,806.25	53,806.25
America-Dixie Line (became inactive Nov. 2, 1927).	New Orleans and Texas ports-U. K.	25,857.68	1,799,469.92	21,651.00	97,006.16	91,801.34	2,732.00	4,913.99	105,976.76	2,124,151.17	343,455.69
Inactive vessels		11,885.26	80,771.14		2,441.95	156,494.45	4,690.50			244,398.04	244,398.04
America-India Line	North Atlantic, British India.	160,419.93	1,177,806.40	15,566.66	64,974.32	73,008.89	4,100.00	3,066.68	62,748.21	1,401,266.16	436,223.05
Do	Miscellaneous.	13,241.58	124,250.81	437.41	10,121.68	14,084.17	175.00	409.61	7,909.04	157,387.72	1,830.22
Inactive vessels		2,804.87	10,732.58		477.57	14,365.00	699.00			26,274.75	26,274.75
America-Merchaut Lines	North Atlantic, East U. K.	11,293.88	1,136,839.17	8,664.43	54,637.11	81,551.68	2,603.00	2,388.23	57,266.76	1,326,621.52	288,190.86
Do	Miscellaneous.	77.79	11,506.71	158.79	1,058.94			53.31	1,119.55	13,579.72	13,579.72
Inactive vessels		2,945.16	9,229.07		232.57	11,972.46				21,434.10	21,434.10
American-Orient Mail Line.	Puget Sound-Orient...	17,433.62	1,288,296.28	53,369.93	91,929.32	119,555.53	5,450.20	4,158.61	96,629.19	1,659,389.06	208,802.22

Footnotes at end of table.

United States Shipping Board Merchant Fleet Corporation—Results of vessel operation by managing agents and trades, fiscal year 1928—Continued—Continued

[Loss indicated by italic figures]

Managing agent	Trade	Voyage expense		Adjustment	Insurance	Repairs		Advertising	Administrative expense	Total expense	Profit or loss
		Miscellaneous	Total voyage expense			Maintenance	Betterments				
FREIGHTERS—continued											
American Palmetto Line	South Atlantic, United Kingdom, and Continent.	\$54,514.38	\$2,066,522.54	\$40,778.33	\$111,142.93	\$161,061.31	\$7,408.15	\$5,672.32	\$117,144.65	\$2,509,730.23	\$687,309.68
Inactive vessels		1,941.71	45,462.22		1,680.92	143,969.20	6,536.77			197,649.11	197,649.11
American Pioneer Line (became inactive Mar. 12, 1928).	North Atlantic and Gulf-Orient and Dutch East Indies.	309,159.53	2,636,573.67	3,798.37	183,033.95	202,590.56	1,200.00	9,274.66	196,345.84	3,232,817.05	484,989.81
Inactive vessels		2,505.10	14,904.63		1,554.22	27,294.36	305.00			44,058.21	44,058.21
American Pioneer Line—Atlantic division.	North Atlantic-Orient and Dutch East Indies.	50,592.99	424,881.68		41,354.07	14,711.72	3,365.00	1,262.93	29,004.13	514,579.53	50,091.27
Inactive vessels		3,518.96	24,416.04		1,302.87	24,363.56	851.00			50,933.47	50,933.47
American Pioneer Line—Gulf division.	Gulf-Orient and Dutch East Indies.	104,474.60	812,936.64		57,506.32	33,664.01		1,841.95	58,634.86	964,583.78	61,594.94
Inactive vessels		17,130.96	103,269.43		3,362.82	141,166.71	4,961.15			252,760.11	252,760.11
American Premier Line (became inactive Nov. 7, 1927).	Gulf-Mediterranean	6,111.66	494,760.24	1,296.45	31,293.93	23,598.63		1,575.52	34,019.84	586,544.61	130,410.67
Inactive vessels		402.69	16,989.95		587.05	20,864.08				38,441.08	38,441.08
America-Republics Line.	North Atlantic-East Coast South America.	49,200.19	3,587,619.18	68,285.11	171,275.26	259,674.27	8,830.40	10,317.74	170,625.17	4,276,627.13	609,259.75
Inactive vessels		642.33	21,671.58		979.70	37,974.86	2,173.00			62,799.14	62,799.14
America-Scantic Line.	North Atlantic-Scandinavia and Baltic.	14,087.82	935,614.16	24,491.89	39,787.72	79,603.26	2,376.00	2,951.00	42,863.58	1,127,687.61	141,459.43
America-Scantic Line (became inactive Jan. 14, 1928).	Miscellaneous	743.38	10,029.84	247.74	1,865.14	10,124.43	728.00	93.90	1,924.95	25,014.00	25,014.00
Inactive vessels											
American West African.	North Africa-West Africa.	71,389.97	2,749,987.69	2,622.05	138,005.19	230,810.44	41,716.44	5,724.82	143,845.28	3,312,711.91	347.70
Inactive vessels		2,932.42	50,040.38		2,261.10	76,766.18	25,514.00			154,581.66	154,581.66
Atlantic Australia.	North Africa-Australia.	251,354.36	2,388,567.02	8,985.05	238,373.81	112,124.48	21,414.00	7,045.16	136,416.26	2,912,925.78	696,984.42
Inactive vessels		2,471.72	44,946.50		4,480.19	71,030.29	15,085.00			135,541.98	135,541.98
Dixie Mediterranean.	New Orleans and East Gulf-Mediterranean.	11,689.43	527,610.24	255.51	35,394.19	25,970.80		1,540.70	36,587.30	627,358.74	147,910.25
Inactive vessels		251.42	8,681.38		215.90	14,508.08	5,282.65			28,688.01	28,688.01
Dixie U. K.	New Orleans and East Gulf-U. K.	20,384.26	1,830,408.33	5,120.26	105,476.49	113,454.70	2,497.70	4,226.28	108,786.36	2,169,970.12	288,075.03
Inactive vessels		178.30	21,212.82		838.63	38,421.10	752.40			61,224.95	61,224.95
Gulf Branch River Plata.	Gulf-East Coast South America.	28,837.97	2,692,681.87	99,595.88	158,502.73	126,695.14	6,152.50	8,180.61	166,996.64	3,258,785.37	190,980.83
Inactive vessels		3,463.94	34,278.54		1,364.53	71,672.61	11,620.00			118,935.68	118,935.68
Gulf West Mediterranean.	Gulf-Port Spain and North Africa.	25,911.52	1,464,462.85	40,617.73	88,562.21	74,569.43	1,209.81	3,903.46	93,168.50	1,766,493.99	181,868.37
Inactive vessels		3,713.48	30,778.57		1,234.18	34,823.91	8,604.81			75,441.47	75,441.47
Mississippi Valley European.	New Orleans-France and Belgium.	21,217.65	965,769.01	11,175.38	63,524.91	70,838.49	3,480.44	2,983.20	67,043.17	1,184,814.00	145,496.08
Inactive vessels		1,907.23	42,924.20		1,653.31	35,060.09	4,181.00			83,838.60	83,838.60
Mobile Oceanic.	East Gulf-U. K. and Continent.	52,333.39	2,894,905.45	20,349.87	165,239.70	164,818.95	3,905.33	7,870.55	173,257.07	3,430,346.92	601,491.42
Inactive vessels		16,405.24	77,793.78		2,369.78	73,351.05	1,650.00			155,164.61	155,164.61
Oregon Oriental.	Portland-Orient.	45,556.33	2,036,242.43	51,444.49	127,081.30	107,726.17		5,930.85	133,219.19	2,461,644.43	156,102.98
Inactive vessels		3.00	3,562.25		264.67	2,133.89				5,960.81	5,960.81
Oriole.	North Atlantic-W. U. K. and Ireland.	53,805.26	3,616,038.22	44,769.70	183,374.99	270,584.47	934.00	8,117.77	192,308.41	4,316,127.56	1,053,572.33
Inactive vessels		10,565.76	129,302.66		4,798.53	123,115.43	30,086.40			287,303.02	287,303.02
Southern States.	New Orleans and Texas ports-Holland and Germany.	118,185.22	4,813,666.28	160,171.62	300,222.43	334,615.29	12,070.25	15,113.89	316,675.87	5,951,935.63	1,414,229.61
Inactive vessels		20,637.22	138,353.66		4,993.91	207,866.54	7,337.25			358,551.36	358,551.36
Texas Mediterranean.	Texas ports-Mediterranean.	4,097.64	250,228.74	252.25	15,939.62	13,588.82		690.48	16,500.17	297,200.08	64,087.25
Inactive vessels		1,628.64	6,407.88		272.66	14,345.02				21,025.56	21,025.56
Texas Star.	Texas ports-France and Belgium.	74,125.74	1,893,708.81	71,424.58	114,911.86	152,394.29	6,020.65	5,635.17	121,109.27	2,365,174.63	466,069.22
Inactive vessels		10,917.60	69,845.00		2,643.90	68,705.70	6,898.00			148,092.60	148,092.60
Texas Ukay.	Texas ports-U. K. and Irish ports.	34,669.52	1,348,645.37	3,675.44	80,639.10	73,926.56	10,286.62	3,322.88	83,491.25	1,603,987.22	514,655.63
Inactive vessels		7,238.92	56,842.58		1,992.40	42,285.41				101,120.39	101,120.39
Yankee.	North Atlantic except New York-Hamburg, Bremen.	16,103.92	1,526,837.68	17,271.69	85,822.73	123,833.33	2,318.00	4,480.69	89,977.39	1,850,541.51	580,415.01
Inactive vessels		6,167.71	33,717.08		1,329.10	47,142.40	445.00			82,633.58	82,633.58
Adjustments for fiscal year (active voyages).									14,508.54	14,508.54	14,508.54
Total voyages—freighters.		1,805,708.80	58,181,980.88	850,072.73	3,458,941.99	3,858,713.94	174,817.91	165,518.51	3,476,665.03	70,166,710.99	11,948,624.46
Total inactive vessels.		133,359.82	1,101,986.72		44,698.33	1,534,858.06	139,972.91			2,821,516.02	2,821,516.02
Total freighters.		1,939,068.62	59,283,967.60	850,072.73	3,503,640.32	5,393,572.00	314,790.82	165,518.51	3,476,665.03	72,988,227.01	14,770,140.48
PASSENGERS											
American Merchant Lines.	New York-London	52,685.44	2,278,904.64	60,008.97	81,173.92	51,313.81	33,197.00	24,362.27	75,943.81	2,604,906.42	46,165.21
Inactive vessels		869.79	52,443.18		1,723.20	71,838.64	3,156.00			129,161.02	129,161.02
Adjustment for fiscal year (active voyages).									318.93	318.93	318.93
Total.		53,555.23	2,331,347.82	60,008.97	82,897.12	123,152.45	36,353.00	24,362.27	75,626.88	2,733,748.51	82,676.88
United States Lines.	New York-Bremen	478,609.40	6,813,270.74	77,551.52	208,728.82	210,141.69	22,540.96	200,046.99	143,387.80	7,675,668.52	359,517.03
Do.	New York-Bremen (lay up).	48,320.21	387,529.74	4,668.84	5,504.83	487,244.65	186,406.90		16,742.96	1,088,097.92	1,008,097.92
Total, Bremen.		526,929.61	7,200,800.48	82,220.36	214,233.65	697,386.34	208,947.86	200,046.99	160,130.76	8,763,766.44	728,580.89
	New York-Southampton.	441,960.47	6,248,684.41	70,440.38	173,668.75	94,840.39	20,555.96	161,003.77	117,717.62	6,886,911.28	1,159,751.93

Footnotes at end of table.

United States Shipping Board Merchant Fleet Corporation—Results of vessel operation by managing agents and trades, fiscal year 1928
[Loss indicated by italic figures]

Managing agent	Trade	Voyage expense		Adjustment	Insurance	Repairs		Advertising	Administrative expense	Total expense	Profit or loss
		Miscellaneous	Total voyage expense			Maintenance	Betterments				
PASSENGERS—continued											
United States Lines—Continued.	New York-Southampton (lay up).	\$28,262.39	\$380,552.42	\$4,584.78	\$7,352.80	\$171,922.31	\$55,825.87	-----	\$18,766.24	\$639,004.42	\$639,004.42
Total, Southampton.	-----	470,222.86	6,629,236.83	75,025.16	181,021.55	266,762.70	76,381.83	\$161,003.77	136,483.86	7,525,915.70	520,747.51
Total Mediterranean.	New York-Mediterranean cruise.	12,280.26	392,579.54	4,618.74	13,372.10	65.47	727.42	21,014.98	10,722.13	443,100.38	258,770.16
Adjustment for fiscal year (active and inactive).	-----	-----	-----	-----	-----	-----	-----	-----	1,294.96	1,294.96	1,294.96
Total United States Lines.	-----	1,009,432.73	14,222,616.85	161,864.26	408,627.30	964,214.51	286,057.11	382,065.74	306,041.79	16,731,487.56	465,308.58
TANKERS											
Merchant Fleet Corporation:											
New York district.	Atlantic—Domestic	2,819.09	109,651.63	-----	15,272.22	21,764.07	275.00	-----	5,510.50	152,336.42	23,687.39
Do.	Atlantic—Foreign	293.39	28,580.62	-----	3,425.46	394.69	-----	-----	1,219.81	33,620.58	17,639.53
Inactive vessels	-----	2,585.98	19,783.60	-----	1,241.24	22,577.15	250.00	-----	-----	43,851.99	43,851.99
San Francisco district.	Pacific—Domestic	21,066.28	77,040.43	-----	10,456.19	20,961.49	-----	-----	3,798.09	112,250.20	49,651.17
Do.	Pacific—Foreign	1,424.02	89,123.77	-----	14,115.68	14,330.62	-----	-----	5,136.99	122,707.06	26,189.62
Do.	Intercoastal	9,060.87	22,389.95	-----	2,336.42	691.67	-----	-----	832.00	26,250.04	14,100.01
Inactive vessels	-----	2,998.73	32,956.65	-----	3,364.68	26,523.94	-----	-----	-----	62,845.27	62,845.27
McAllister Bros.	Atlantic—Coastwise	1,291.59	74,840.59	2,215.64	6,486.94	7,489.60	-----	-----	2,541.00	93,573.77	37,191.56
Became inactive Oct. 20, 1927.	Intercoastal	62,223.31	175,520.25	5,249.70	17,473.24	18,527.51	1,070.00	-----	6,670.02	224,510.72	59,288.89
Inactive vessels	-----	3.25	3,303.84	-----	174.39	164.58	-----	-----	-----	3,642.81	3,642.81
Struthers & Barry	Pacific—Coastwise	5,942.47	29,251.25	2,668.49	3,505.33	903.50	-----	-----	1,373.07	37,701.64	25,911.78
Do.	Pacific—Foreign	11,483.70	115,653.85	7,323.49	17,385.29	26,434.25	-----	-----	6,742.28	173,539.16	10,641.99
(Became inactive Nov 2, 1927).	Intercoastal	33,431.36	83,680.37	4,790.58	8,192.81	13,886.98	-----	-----	3,100.89	113,651.63	10,702.56
Adjustment for fiscal year (active voyages).	-----	-----	-----	-----	-----	-----	-----	-----	152.40	152.40	152.40
Total tanker voyages.	-----	149,036.08	805,595.71	22,247.90	98,649.58	125,384.38	1,345.00	-----	36,772.25	1,089,994.82	275,246.81
Total inactive tankers.	-----	5,588.06	56,044.09	-----	4,780.31	49,265.67	250.00	-----	-----	110,340.07	110,340.07
Total tankers.	-----	154,624.14	861,639.80	22,247.90	103,429.89	174,650.05	1,595.00	-----	36,772.25	1,200,334.89	164,906.74
TUGS											
Merchant Fleet Corporation.	Gulf district.	626.38	24,484.01	-----	1,550.30	3,932.89	-----	-----	440.49	30,407.69	23,077.06
Adjustment for fiscal year.	-----	-----	-----	-----	-----	-----	-----	-----	1.80	1.80	1.80
Total tugs.	-----	626.38	24,484.01	-----	1,550.30	3,932.89	-----	-----	438.69	30,405.89	23,078.86

¹ Passenger.

² Cargo.

NOTE 1.—This item includes all direct overhead of the United States Lines, with the exception of its advertising expense.

NOTE 2.—The amounts shown under the caption "Inactive vessels and adjustments" in the monthly financial statements published during the fiscal year 1928 included the expenses of vessels inactive with managing operators and "adjustments" representing items applicable to vessels redelivered by managing operators but reported subsequent to the month in which the expenses of the last voyage or inactive period were included. Such "adjustment" items have been included in this consolidated statement under the "active" or "inactive" results shown above according to the classification to which applicable.

Mr. WASON. Mr. Chairman, on page 3 of the printed bill after line 18, I want to offer an amendment by inserting the words "independent establishment."

The CHAIRMAN. The gentleman from New Hampshire asks unanimous consent to return to page 3, line 18, for the purpose of offering an amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 3, after line 18, insert the words "independent establishment."

The amendment was agreed to.

Mr. WASON. Mr. Chairman, I ask unanimous consent that the Clerk may correct the figures and also the totals throughout the bill.

The CHAIRMAN. The gentleman from New Hampshire asks unanimous consent that the Clerk may correct the figures and the totals throughout the bill. Is there objection?

There was no objection.

Mr. WASON. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the amendments, with the recommendation that the amendments be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the

Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16301, the independent offices appropriation bill, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. WASON. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

Mr. LAGUARDIA. Mr. Speaker, I offer the following motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LAGUARDIA. I am.

The Clerk read as follows:

Mr. LAGUARDIA moves to recommit the bill (H. R. 16301) to the Committee on Appropriations with instructions to that committee to report the same back forthwith with the following amendment:

On page 38, line 25, strike out the period, insert a colon, and the following: "Provided, That no part of the sums appropriated in this

act shall be used to pay the salary or wages of any alien seaman or steward if suitable American citizens are, in the opinion of the Shipping Board, available for such employment."

Mr. LAGUARDIA. Mr. Speaker, on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 10, noes 42.

Mr. LAGUARDIA. Mr. Speaker, I object to the vote on the ground that there is no quorum present, and make the point of order that there is no quorum present.

The SPEAKER. The gentleman from New York makes the point of order that there is no quorum present. Evidently there is not. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absent Members, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—yeas 115, nays 118, not voting 195, as follows:

[Roll No. 14]

YEAS—115

Abernethy	Drewry	Kemp	Ragon
Allgood	Driver	Kent	Rankin
Almon	Edwards	Kerr	Rayburn
Arnold	Englebright	Ketcham	Romjue
Aswell	Eslick	Kincheloe	Rutherford
Ayres	Fitzgerald, Roy G.	LaGuardia	Sabath
Barbour	Fulbright	Lankford	Sanders, Tex.
Beck, Wis.	Fulmer	Leavitt	Sandlin
Bland	Gardner, Ind.	Lowrey	Schafer
Box	Garrett, Tenn.	Lozier	Schneider
Briggs	Gregory	McCormack	Sears, Fla.
Browning	Green	McKeown	Sinclair
Buckbee	Hancock	McMillan	Steele
Busby	Hare	Mansfield	Stevenson
Canfield	Harrison	Mapes	Strong, Kans.
Cannon	Hastings	Menges	Swank
Carss	Hill, Wash.	Miller	Swing
Cartwright	Hoch	Milligan	Tarver
Casey	Hogg	Moorman	Warren
Chapman	Howard, Nebr.	Morehead	Welch, Calif.
Cochran, Mo.	Huddleston	Nelson, Mo.	Whittington
Collier	Hull, Wm. E.	Norton, Nebr.	Williams, Mo.
Collins	Irwin	O'Brien	Wilson, La.
Connery	Jeffers	O'Connor, La.	Wilson, Miss.
Cooper, Wis.	Johnson, Ind.	Oldfield	Wolfenden
Crosser	Johnson, Okla.	Patterson	Wolverton
Dominick	Johnson, Tex.	Peavey	Woodrum
Doughton	Jones	Peery	Yon
Dowell	Kading	Quin	

NAYS—118

Ackerman	Dallinger	Langley	Selvig
Adkins	Deal	Lea	Shreve
Allen	Dempsey	Leatherwood	Smith
Andresen	Dickinson, Iowa	Leech	Snel
Bacharach	Elliott	Letts	Sproul, Ill.
Bachmann	England	Luce	Sproul, Kans.
Bacon	Fisher	McDuffie	Strong, Pa.
Beedy	Fitzgerald, W. T.	McLeod	Summers, Wash.
Beers	Fort	Maas	Taber
Begg	Foss	Manlove	Taylor, Colo.
Black, Tex.	Free	Martin, Mass.	Thatcher
Bohn	French	Merritt	Thompson
Bowman	Furlow	Michaelson	Thurston
Brigham	Garber	Michener	Tilson
Browne	Gifford	Monast	Tinkham
Burtness	Guyer	Moore, Ohio	Udike
Butler	Hall, Ill.	Morin	Vestal
Campbell	Hall, Ind.	Murphy	Vincent, Iowa
Chalmers	Haugen	Newton	Vincent, Mich.
Chase	Hooper	Niedringhaus	Wainwright
Chindblom	Hope	Norton, N. J.	Wason
Christopherson	Houston, Del.	Perkins	Watres
Clarke	Hudson	Reece	White, Colo.
Cochran, Pa.	Hughes	Reed, N. Y.	Wigglesworth
Colton	Johnson, Ill.	Robinson, Iowa	Williamson
Cooper, Ohio	Johnson, S. Dak.	Robison, Ky.	Wood
Corning	Kahn	Rogers	Woodruff
Cox	Kearns	Rowbottom	Wyant
Cramton	Kiess	Sears, Nebr.	
Cullen	Knutson	Seger	

NOT VOTING—195

Aldrich	Bushong	Davey	Freeman
Andrew	Byrns	Davis	Gambrill
Anthony	Carew	Denison	Garner, Tex.
Arentz	Carley	DeRouen	Garrett, Tex.
Auf der Heide	Carter	Dickinson, Mo.	Gasque
Bankhead	Celler	Dickstein	Gibson
Beck, Pa.	Clague	Douglas, Ariz.	Gilbert
Bell	Clancy	Douglas, Mass.	Glynn
Berger	Cohen	Doutrich	Golder
Black, N. Y.	Cole, Iowa	Doyle	Goldsborough
Blanton	Cole, Md.	Drane	Goodwin
Bloom	Combs	Dyer	Graham
Boies	Connally, Tex.	Eaton	Greenwood
Bowles	Connolly, Pa.	Estep	Griest
Boylan	Craig	Evans, Calif.	Griffin
Brand, Ga.	Crisp	Evans, Mont.	Hadley
Brand, Ohio	Crowther	Fenn	Hale
Britten	Culkin	Fish	Hall, N. Dak.
Buchanan	Curry	Fitzpatrick	Hammer
Bulwinkle	Darrow	Fletcher	Hardy
Burdick	Davenport	Frear	Hawley

Hersey	Linthicum	Parker	Tatgenhorst
Hickey	Lyon	Parks	Taylor, Tenn.
Hill, Ala.	McClintic	Porter	Temple
Hoffman	McFadden	Pou	Tillman
Holaday	McLaughlin	Prall	Timberlake
Howard, Okla.	McReynolds	Pratt	Treadway
Hudspeth	McSwain	Purnell	Tucker
Hull, Morton D.	McSweeney	Quayle	Underhill
Hull, Tenn.	Magrady	Rainey	Underwood
Igoe	Major, Ill.	Ramseyer	Vinson, Ga.
Jacobstein	Major, Mo.	Ransley	Vinson, Ky.
James	Martin, La.	Reed, Ark.	Ware
Jenkins	Mead	Reid, Ill.	Watson
Johnson, Wash.	Montague	Sanders, N. Y.	Weaver
Kelly	Mooney	Shallenberger	Weller
Kendall	Moore, Ky.	Simmons	Welsh, Pa.
Kindred	Moore, N. J.	Sirovich	White, Kans.
King	Moore, Va.	Somers, N. Y.	White, Me.
Kopp	Morgan	Speaks	Whitehead
Korell	Morrow	Spearing	Williams, Ill.
Kunz	Nelson, Me.	Stalker	Williams, Tex.
Kurtz	Nelson, Wis.	Stegall	
Kvale	O'Connell	Stebbins	
Lampert	O'Connor, N. Y.	Stobbs	
Lanham	Oliver, Ala.	Sullivan	
Larsen	Oliver, N. Y.	Summers, Tex.	
Lehlbach	Palmer	Swick	
Lindsay	Palmisano		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Hawley with Mr. Garner of Texas.
 Mr. Hadley with Mr. Crisp.
 Mr. Treadway with Mr. Rainey.
 Mr. Crowther with Mr. Dickinson of Missouri.
 Mr. King with Mr. McClintic.
 Mr. Clancy with Mr. Howard of Oklahoma.
 Mr. Kurtz with Mr. Mooney.
 Mr. Taylor of Tennessee with Mr. Tucker.
 Mr. Morgan with Mr. Bulwinkle.
 Mr. White of Kansas with Mr. Sullivan.
 Mr. Pratt with Mr. Cohen.
 Mr. Zihlman with Mr. Wingo.
 Mr. Aldrich with Mr. Bell.
 Mr. Fenn with Mr. Stegall.
 Mr. Darrow with Mr. Garrett of Texas.
 Mr. James with Mr. McSwain.
 Mr. Curry with Mr. Byrns.
 Mr. Morton D. Hull with Mr. Vinson of Georgia.
 Mr. Denison with Mr. Blanton.
 Mr. Johnson of Washington with Mr. Moore of Virginia.
 Mr. Evans of California with Mr. Weller.
 Mr. Korell with Mr. Bloom.
 Mr. Golder with Mr. Underwood.
 Mr. Bowles with Mr. Major of Missouri.
 Mr. Griest with Mr. Black of New York.
 Mr. Burdick with Mr. McSweeney.
 Mr. Connolly of Pennsylvania with Mr. Steadman.
 Mr. Hersey with Mr. Brand of Georgia.
 Mr. Ramseyer with Mr. Mead.
 Mr. Crail with Mr. Weaver.
 Mr. Purnell with Mr. Palmisano.
 Mr. Wurzbach with Mr. Cole of Maryland.
 Mr. Glynn with Mr. Gilbert.
 Mr. Anthony with Mr. Hill of Alabama.
 Mr. Underhill with Mr. Fitzpatrick.
 Mr. Hardy with Mr. Drane.
 Mr. Watson with Mr. Moore of Kentucky.
 Mr. Graham with Mr. Whitehead.
 Mr. Davenport with Mr. Auf der Heide.
 Mr. Britten with Mr. Fletcher.
 Mr. Fish with Mr. Griffin.
 Mr. White of Maine with Mr. Vinson of Kentucky.
 Mr. Kopp with Mr. O'Connor of New York.
 Mr. Palmer with Mr. McReynolds.
 Mr. Hale with Mr. O'Connell.
 Mr. Nelson of Wisconsin with Mr. Martin of Louisiana.
 Mr. Simmons with Mr. Steele.
 Mr. Tatgenhorst with Mr. Celler.
 Mr. Carter with Mr. Hammer.
 Mr. Freeman with Mr. Oliver of New York.
 Mr. Kendall with Mr. Igoe.
 Mr. Welsh of Pennsylvania with Mr. Prall.
 Mr. Lampert with Mr. Gasque.
 Mr. Yates with Mr. Boylan.
 Mr. Parker with Mr. Quayle.
 Mr. Winter with Mr. Moore of New Jersey.
 Mr. McFadden with Mr. Moore of New Jersey.
 Mr. Williams of Illinois with Mr. Wright.
 Mr. Timberlake with Mr. Pou.
 Mr. McLaughlin with Mr. Sirovich.
 Mr. Hickey with Mr. Kindred.
 Mr. Andrew with Mr. Goldsborough.
 Mr. Magrady with Mr. Bankhead.
 Mr. Arentz with Mr. Ware.
 Mr. Temple with Mr. Ware.
 Mr. Beck of Pennsylvania with Mr. Evans of Montana.
 Mr. Reid of Illinois with Mr. Gambrill.
 Mr. Lehlbach with Mr. Hudspeth.
 Mr. Speaks with Mr. Lanham.
 Mr. Culkin with Mr. Jacobstein.
 Mr. Stalker with Mr. Oliver of Alabama.
 Mr. Bushong with Mr. Hull of Tennessee.
 Mr. Strother with Mr. Reed of Arkansas.
 Mr. Dyer with Mr. Kunz.
 Mr. Sinclair with Mr. Shallenberger.
 Mr. Estep with Mr. Larsen.
 Mr. Swick with Mr. Parks.
 Mr. Kelly with Mr. Greenwood.
 Mr. Boies with Mr. Dickstein.
 Mr. Stobbs with Mr. Carley.
 Mr. Brand of Ohio with Mr. Montague.

Mr. Hall of North Dakota with Mr. Sumners of Texas.
 Mr. Moore of Ohio with Mr. Davis.
 Mr. Goodwin with Mr. Williams of Texas.
 Mr. Ransley with Mr. Major of Illinois.
 Mr. Taber with Mr. Sparring.
 Mr. Nelson of Maine with Mr. Morrow.
 Mr. Porter with Mr. Somers of New York.
 Mr. Sanders of New York with Mr. Buchanan.
 Mr. Clague with Mr. Connally of Texas.
 Mr. Hoffman with Mr. DeRouen.
 Mr. Doutrich with Mr. Linthicum.
 Mr. Cole of Iowa with Mr. Douglass of Massachusetts.
 Mr. Fenn with Mr. Lindsay.
 Mr. Holaday with Mr. Douglas of Arizona.
 Mr. Jenkins with Mr. Doyle.
 Mr. Gibson with Mr. Lyon.
 Mr. Eaton with Mr. Kvale.

The result of the vote was announced as above recorded.

The SPEAKER. The question is, Shall the bill pass?

The question was taken, and the bill was passed.

On motion of Mr. WASON, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. JOHNSON of Texas. Mr. Speaker, I wish to announce that my colleague [Mr. LANHAM] is absent this afternoon on account of illness.

Mr. VESTAL. Mr. Speaker, the gentleman from Michigan [Mr. McLAUGHLIN], the gentleman from Rhode Island [Mr. ALDRICH], the gentleman from New York [Mr. DAVENPORT], and the gentleman from Pennsylvania [Mr. ESTEP] were prevented from voting on this bill on account of the Ways and Means Committee being in session.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 41 to the bill H. R. 15089, entitled "An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1930, and for other purposes"; that the Senate further insists upon its amendments Nos. 20, 39, and 40 to said bill, disagreed to by the House, agrees to a further conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SMOOT, Mr. KEYES, and Mr. HARRIS to be the conferees on the part of the Senate.

MORRIS FOX CHERRY

Mr. MORIN. Mr. Speaker, I ask unanimous consent to vacate the action taken by the House to-day on the bill (H. R. 12538) for the benefit of Morris Fox Cherry.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to vacate the action taken this morning by the House when the House agreed to the Senate amendment to the bill H. R. 12538. Is there objection?

There was no objection.

Mr. MORIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12538, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill H. R. 12538, with a Senate amendment thereto, disagree to the Senate amendment, and ask for a conference. Is there objection?

There was no objection.

The Chair appointed the following conferees: Messrs. MORIN, JAMES, and McSWAIN.

APPROPRIATIONS FOR DISABLED VETERANS AND THEIR DEPENDENTS

Mr. COCHRAN of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the appropriation bill just passed.

The SPEAKER. Is there objection?

There was no objection.

Mr. COCHRAN of Missouri. Mr. Speaker, the bill just passed carried an appropriation for various independent establishments of the Government of \$541,314,144. Of this, \$499,975,000 goes to the credit of the Veterans' Bureau, which has to do with administering the law extending benefits to World War veterans and their dependents. Approximately one-eighth of the revenues collected annually by the Government goes to meet this expense. This is astonishing no doubt to some, but more alarming, in my opinion, is that \$43,500,000 of the appropriation for World War veterans and their dependents goes for overhead, there being 24,320 employees. The total amount appropriated for the Veterans' Bureau is \$14,415,000 more than the preceding year and there are now 712 more employees in the bureau than a year ago.

The astonishing feature of the appropriation, that of overhead, shows \$11.50 of every \$100 handled by the bureau goes to

pay salaries of the personnel, rent of quarters, transportation of employees in discharge of their duties, office supplies, and so forth.

In my opinion, Congress itself is in part responsible for the existing conditions, laws having been passed that makes administration most difficult. It is only proper to ask, "Has the Congress required the officials to function in a manner where the same result could be obtained with a reduction in personnel if the law was properly amended?"

I doubt if any individual among the executive officials of the Government is charged with more personal responsibility than the Director of the Veterans' Bureau. By that I mean Congress has enacted laws which charge him personally to do certain work, such as reviewing appeals, and so forth, outside of his general duties as head of this great bureau. Under the set-up now in operation the claim for compensation is filed with the regional manager. If the decision is adverse there is right of appeal to the central office board of appeals. Should this board sustain the decision of the regional manager, then, under the law, not rule or regulation, the claimant has the right of appeal to the director, who is charged by law to personally review the papers, his decision being final, except where the payment of insurance is involved, and in such a case the claimant can resort to the Federal court.

I maintain it is a physical impossibility for 10 men, devoting all their time to appeal cases, to give the appeals the consideration they deserve. This paragraph in the law should be amended without delay. The director should be relieved of this duty; he can not do this work and at the same time give his attention to the hundreds of problems which confront him daily. This condition can be charged to Congress.

While the Congress as a whole is responsible, still it must be remembered that no time since the original act was passed has the House had an opportunity to consider any amendment to the veterans' act other than under suspension of the rules, which means 40 minutes for debate and then a vote, with no opportunity to offer an amendment.

In order to carry out the mandate of Congress which requires him to personally review appeal cases the director has set up an advisory group on appeals. This group reviews the papers, prepares a brief, and forwards the case to the director. If the director can do as much as read all the briefs, he is a superman. Thousands of cases are appealed. I have carefully gone over cases handled by the advisory group and in more than one instance have convinced the director the papers were not properly briefed. In one case I recall I showed where the brief was directly in contrast to the facts as shown by sworn affidavits in the file. He was quick to respond in each instance to my appeal for further consideration.

The Veterans' Bureau was created to meet a great emergency. My knowledge of its operation has been gained from personal contact since its very beginning. Every veteran's case that is called to my attention I handle personally. It is my duty as his representative to see that he receives everything he is entitled to under the law.

CONSOLIDATION

The committee on expenditures, of which I happen to be a member, is at the present time considering a bill to authorize the President to consolidate and coordinate governmental activities affecting all war veterans and their dependents.

The hearings on this bill have disclosed that it is now costing the Government in excess of \$750,000,000 annually to take care of the veterans and their dependents. The Pension Bureau, a part of the Department of the Interior, the National Soldiers' Homes, looked after by the War Department, and the Veterans' Bureau would be brought under one head by the passage of the bill.

General Hines, Director of the Veterans' Bureau, favors the passage of the bill. He feels it would curtail overhead and improve administration, as well as standardize treatment given to all veterans. He told the committee such a consolidation would result in the largest organization in the Government from the standpoint of personnel employed, magnitude of services administered, number of beneficiaries, and amount of annual expenditures. He feels, however, provisions should be made for the establishment of an executive department, with a secretary, a member of the President's Cabinet, four assistant secretaries, and a general counsel.

Members of all veterans' organizations have been given an opportunity to express their views, and while all agree on consolidation, they differ as to how it should be brought about. Some want a veterans' department, others a bureau under the Secretary of the Interior, and still others would like to see an executive department, with the secretary a member of the President's Cabinet.

A most interesting witness before the committee was Col. Winfield Scott, Commissioner of Pensions. He cited the history of pensions in this country from the time the Pilgrims in 1636 provided that the colony should maintain any disabled soldier. At that time they had trouble with the Indians. He told of the pension law passed by Virginia in 1644, followed shortly by New York and Maryland, while Rhode Island enacted its pension law in 1718.

Starting with the passage of the first national pension law, August 26, 1776, Colonel Scott covered pension legislation up to the time the office of Commissioner of Pensions was created in 1833. Some of the interesting facts brought out by Colonel Scott are that the total number of land warrants issued by the bureau was 598,701, calling for 68,793,870 acres of land; that the office starting with 22 employees reached its peak in 1892 when the force numbered 2,009 employees, and the maintenance cost then was \$4,898,655.80; that since 1892 the personnel has gradually been reduced, until now they have 645 employees, who receive salaries amounting to \$1,250,000; that they have a working index consisting of 7,069,719 cards and approximately 6,000,000 files representing claims of soldiers who served in various wars and of their widows, which he stated is a complete history of those who bore the brunt of battle in defense of flag and country; that next year's appropriation bill carries \$221,000,000 for the Pension Bureau, the overhead being but \$1,635,000; that it cost \$11.80 to handle a claim before it is paid; that the salaries paid the medical referee is \$5,600 a year, and the chief law clerk \$4,600, while in the Veterans' Bureau the medical director receives \$9,000 per year and the chief of the legal division \$9,000 per year.

Colonel Scott stated the records show there are only two surviving soldiers of the war with Mexico, which ended May 30, 1848. One, William F. Buckner, residing at Paris, Mo., was born, according to the Pension Bureau records, January 25, 1828, and the other, Owen Thomas Edgar, who resides at the John Dickson Home, Washington, D. C., born January 31, 1831.

On December 31, 1928, there were on the pension rolls the following: Civil War, 68,788 soldiers, 40 nurses, 191,160 widows; Spanish War, 173,158 soldiers, 393 nurses, 26,949 widows; Regular Establishment, 14,201 soldiers and sailors, 3,570 widows; World War, 46 soldiers, 17 widows; Indian wars, 5,465 soldiers, 3,758 widows; Mexican War, 2 soldiers, 802 widows; War of 1812, 13 widows; in all, a total of 488,362. In the last six months of 1928 the Pension Bureau paid \$116,432,903.89 to these pensioners.

While it was disclosed by the testimony of Colonel Scott that it cost \$11.80 to handle a claim in that bureau, former United States Senator Col. Rice W. Means, Spanish War veteran and former head of the Spanish War veterans' organization, in reply to a question as to how much it cost to handle a claim in the Veterans' Bureau, said:

If you could get hold of the figures—now, I am making a wild estimate, but I believe it is \$1,000 per claim.

Anyone who attempts to estimate when the peak will be reached by the Veterans' Bureau, in my opinion, is but making a guess.

There has been a great deal of agitation for what might be termed equalization of pensions. I have yet to find the man who can assail the argument. Veterans contend that there is no reason why the soldier or sailor or their dependents who served in the Civil, Indian, or Spanish War should not receive the same consideration accorded those who served in the World War.

Take the pensions of the soldiers, sailors, or marines in the Regular Establishment disabled in discharge of their duties, and the widows and dependent parents of men in this branch who lose their life in line of duty. They come under the general pension law.

What do they get?

The widow of a marine killed in Nicaragua gets \$12 a month, as does the dependent mother.

The argument which accompanies the demand for equalization of pensions is sound and can not be disputed.

Then, again, there is a strong demand for a service pension for the World War veterans. They ask for the same consideration now being accorded Spanish and Civil War veterans. The Spanish and Civil War laws provide for a pension for a veteran in the event he is disabled for the performance of manual labor, even though the disability is not the direct result of his service.

This will come in time—how soon, no one can predict—but I venture the assertion that it will not be long before the total amount paid to veterans of all wars and their dependents will total \$1,000,000,000 annually.

To show that our expenditures along this line continue to increase, I understand the Commissioner of Pensions has in-

formed the Appropriations Committee that unless \$19,000,000 or \$20,000,000 is carried for his bureau in the last deficiency bill which will be reported in a few days he will be unable to pay pensions for June. Of course, after he has made the proper showing, he will get the money. Therefore I say it is impossible to even predict when the peak will be reached.

If the consolidation of all Government agencies affecting the veterans and their dependents will mean a reduction in overhead and expedite the consideration of the claims of the veterans and their dependents, it should be brought about. However, care must be exercised to work out the proper plan before authorizing such a consolidation.

The care of the disabled veteran is an obligation the country will never shirk.

ADJOURNMENT OVER UNTIL MONDAY

Mr. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that when the House adjourns to-day it adjourn to meet on Monday. Is there objection?

There was no objection.

ADJOURNMENT

Mr. WASON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly, in accordance with the order heretofore made (at 5 o'clock and 28 minutes p. m.), the House adjourned until Monday, January 21, 1929, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, January 19, 1929, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10 a. m.)

Continuing the powers and authority of the Federal Radio Commission under the radio act of 1927 (H. R. 15430).

COMMITTEE ON AGRICULTURE

(10 a. m.)

To amend the United States grain standards act by inserting a new section providing for licensing and establishing laboratories for making determinations of protein in wheat and oil in flax (H. R. 106).

EXECUTIVE COMMUNICATIONS, ETC.

750. Under clause 2 of Rule XXIV, a communication from the President of the United States, transmitting supplemental estimate of appropriation for the Office of Public Buildings and Public Parks of the National Capital for the fiscal year 1929, in the amount of \$5,000 (H. Doc. No. 516), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FISHER: Committee on Military Affairs. H. R. 13693. A bill to authorize the Secretary of War to transfer a portion of the Camp Lee Military Reservation to the Petersburg National Military Park; without amendment (Rept. No. 2137). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 13931. A bill to authorize an appropriation for the construction of a building for a radio and communication center at Bolling Field, D. C.; with amendment (Rept. No. 2138). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on the Library. H. Con. Res. 46. A concurrent resolution amending section 6 of the House concurrent resolution establishing the United States Yorktown Sesqui-centennial Commission; without amendment (Rept. No. 2140). Referred to the House Calendar.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 12520. A bill for the relief of the Nez Perce Tribe of Indians; with amendment (Rept. No. 2141). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. H. R. 15657. A bill to provide for the improvement and preservation of the land and buildings of the Abraham Lincoln National Park or Reservation; with amendment (Rept. No. 2142). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH: Committee on Irrigation and Reclamation. S. 4528. An act authorizing the Secretary of the Interior to employ engineers and economists for consultation purposes on important reclamation work; with amendment (Rept. No. 2143). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORIN: Committee on Military Affairs. H. R. 16273. A bill to amend an act entitled, "An act to provide for the membership of the Board of Visitors, United States Military Academy, and for other purposes," approved May 17, 1928; without amendment (Rept. No. 2144). Referred to the Committee of the Whole House on the state of the Union.

Mr. FISHER: Committee on Military Affairs. H. R. 14072. A bill to authorize the sale and removal of surplus sand from the military reservation, Fort Story, Va.; without amendment (Rept. No. 2149). Referred to the Committee of the Whole House on the state of the Union.

Mr. BOYLAN: Committee on Military Affairs. H. R. 14924. A bill to authorize the Secretary of War to grant to the city of Salt Lake, Utah, a portion of the Fort Douglas Military Reservation, Utah, for street purposes; without amendment (Rept. No. 2150). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 4953. A bill for the relief of Homer C. Rayhill; without amendment (Rept. No. 2139). Referred to the Committee of the Whole House.

Mr. BOYLAN: Committee on Military Affairs. H. R. 12708. A bill for the relief of John H. Lawler; with amendment (Rept. No. 2145). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 13546. A bill for the relief of Joseph Bratten; without amendment (Rept. No. 2146). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 14110. A bill for the relief of Capt. Philip A. Scholl, Finance Department, United States Army; without amendment (Rept. No. 2147). Referred to the Committee of the Whole House.

Mr. BOYLAN: Committee on Military Affairs. H. R. 2818. A bill for the relief of George Evans; with amendment (Rept. No. 2148). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROBSON of Kentucky: A bill (H. R. 16382) to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Burnside, Pulaski County, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16383) to extend the times for commencing and completing the construction of a bridge across the South Fork of the Cumberland River at or near Burnside, Pulaski County, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16384) to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16385) to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Canton, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16386) to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Smithland, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16387) to extend the times for commencing and completing the construction of a bridge across the Cumberland River at or near Iuka, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16388) to extend the times for commencing and completing the construction of a bridge across the Tennessee River at or near Eggners Ferry, Ky.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16389) to extend the times for commencing and completing the construction of a bridge across the Tennessee River at or near the mouth of Clarks River; to the Committee on Interstate and Foreign Commerce.

By Mr. COHEN: A bill (H. R. 16390) to provide for changing the location of certain buildings to be constructed at Fort Jay, Governors Island, N. Y., and for other purposes; to the Committee on Military Affairs.

By Mr. HOWARD of Oklahoma: A bill (H. R. 16391) authorizing an appropriation for improving the Arkansas River from Tulsa, Okla., to the point where said river flows into the Mississippi River, for purposes of navigation; to the Committee on Rivers and Harbors.

By Mr. JOHNSON of Washington: A bill (H. R. 16392) relating to the immigration and naturalization of certain citizens of the islands under the jurisdiction of the United States; to the Committee on Immigration and Naturalization.

By Mr. THATCHER: A bill (H. R. 16393) to include henceforth, under the designation "storekeeper-gaugers," all positions which have heretofore been designated as those of storekeepers, gaugers, and storekeeper-gaugers; to make storekeeper-gaugers full-time employees, and for other purposes; to the Committee on the Judiciary.

By Mr. HAWLEY (by request): A bill (H. R. 16394) to authorize the United States to be made a party defendant in any suit or action which may be commenced by the State of Oregon in the United States District Court for the District of Oregon for the determination of the title to all or any of the lands constituting the beds of Malheur and Harney Lakes, in Harney County, Oreg., and lands riparian thereto, and to all or any of the waters of said lakes and their tributaries, together with the right to control the use thereof, authorizing all persons claiming to have an interest in said land, water, or the use thereof to be made parties or to intervene in said suit or action, and conferring jurisdiction on the United States courts over such cause; to the Committee on the Judiciary.

By Mr. HAWLEY: A bill (H. R. 16395) to reduce interest rates on adjusted-compensation loans; to the Committee on Ways and Means.

By Mr. MANSFIELD: A bill (H. R. 16396) to amend the tariff act of 1922; to the Committee on Ways and Means.

By Mr. RAGON: A bill (H. R. 16397) granting authority to the Secretary of War to relocate levee of Conway district No. 1, Conway County, Ark.; to the Committee on Flood Control.

By Mr. ROY G. FITZGERALD: A bill (H. R. 16398) to amend the act of June 8, 1926 (44 Stat. 704; title 10, sec. 1091a, U. S. C., Supp. I); to the Committee on Military Affairs.

By Mr. TAYLOR of Colorado: Joint resolution (H. J. Res. 388) restricting the Federal Power Commission from issuing or approving any permits or licenses affecting the Colorado River or any of its tributaries, except the Gila River; to the Committee on Interstate and Foreign Commerce.

By Mr. KINDRED: Joint resolution (H. J. Res. 389) to establish a public bequest commission and a public bequest fund; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

By Mr. FULMER: Memorial of the General Assembly of the State of South Carolina, relating to the situation of South Carolina created by the hurricane; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 16399) for the relief of Edward Wilson; to the Committee on Military Affairs.

By Mr. AYRES: A bill (H. R. 16400) granting an increase of pension to Sarah Stewart; to the Committee on Invalid Pensions.

By Mr. BEGG: A bill (H. R. 16401) granting a medal of honor to William McCool, United States Navy; to the Committee on Military Affairs.

By Mr. CASEY: A bill (H. R. 16402) to authorize the appointment of First Sergt. George Shively, retired, to the grade of master sergeant, retired, in the United States Army; to the Committee on Military Affairs.

By Mr. CLANCY: A bill (H. R. 16403) for the relief of Parke, Davis & Co.; to the Committee on Ways and Means.

By Mr. DEAL: A bill (H. R. 16404) for the relief of Thomas A. Dwyer; to the Committee on Naval Affairs.

By Mr. EDWARDS: A bill (H. R. 16405) for the relief of John Henry Mobley; to the Committee on Claims.

By Mr. W. T. FITZGERALD: A bill (H. R. 16406) to repeal a provision of law granting a pension to Annie E. Springer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16407) to repeal a provision of law granting a pension to Lottie A. Bowhall; to the Committee on Invalid Pensions.

By Mr. FULMER: A bill (H. R. 16408) for the relief of John H. La Fitte; to the Committee on Military Affairs.

Also, a bill (H. R. 16409) to authorize payment of war-risk insurance to the estate of William Wheeler, deceased; to the Committee on Claims.

By Mr. KIESS: A bill (H. R. 16410) granting an increase of pension to Susan C. Phelps; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 16411) granting a pension to Mary H. Goldberger; to the Committee on Pensions.

By Mr. MCLEOD: A bill (H. R. 16412) for the relief of Gustav Edmund Starke; to the Committee on Claims.

By Mr. MURPHY: A bill (H. R. 16413) granting a pension to Clarence Prosser; to the Committee on Pensions.

Also, a bill (H. R. 16414) granting a pension to Alatha Wallace; to the Committee on Invalid Pensions.

By Mrs. ROGERS: A bill (H. R. 16415) granting a pension to Mary Dunn; to the Committee on Pensions.

By Mr. SHREVE: A bill (H. R. 16416) for the relief of Lorenzo E. Leonard; to the Committee on Military Affairs.

By Mr. STALKER: A bill (H. R. 16417) granting a pension to Mary H. De Waine; to the Committee on Invalid Pensions.

By Mr. UPDIKE: A bill (H. R. 16418) granting a pension to Katie Keller; to the Committee on Pensions.

By Mr. UNDERWOOD: A bill (H. R. 16419) granting an increase of pension to Elizabeth A. McAdoo; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 16420) granting a pension to Buelah H. Baldwin; to the Committee on Pensions.

By Mr. WILLIAMS of Illinois: A bill (H. R. 16421) granting an increase of pension to Lucy Pell; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8297. By Mr. ABERNETHY: Petition of Lionel Weil, chairman Goldboro Division (N. C.), Orthopedic Clinic, in favor of Newton bill; to the Committee on Interstate and Foreign Commerce.

8298. Also, petition of Henry Beek, secretary Goldboro (N. C.) Rotary Club, in favor of Newton bill; to the Committee on Interstate and Foreign Commerce.

8299. Also, petition of R. E. Stevens, president of Goldboro (N. C.) Rotary Club, in favor of Newton bill; to the Committee on Interstate and Foreign Commerce.

8300. Also, petition of Mrs. Lionel Weil, chairman of committee on home hygiene and care of the sick, Wayne County (N. C.) Chapter, American Red Cross, in favor of Newton bill; to the Committee on Interstate and Foreign Commerce.

8301. By Mr. BLOOM: Petition of New York Zoological Society, approving Senate bill 1271, relative to the adequate preservation of migratory game birds; to the Committee on Agriculture.

8302. Also, petition of New York Commandery of the Naval Order of the United States, approving the cruiser bill; to the Committee on Naval Affairs.

8303. By Mr. CARTER: Petition from residents of Alameda, Calif., signed by R. E. Peterson and 10 others, protesting against the passage of House bill 12683, relating to the shipment in interstate commerce of pistols, revolvers, etc.; to the Committee on Interstate and Foreign Commerce.

8304. By Mr. CHRISTOPHERSON: Petition of Chamber of Commerce of Canton, S. Dak., asking for adequate tariff on sugar; to the Committee on Ways and Means.

8305. Also, petition of Chamber of Commerce of Canton, S. Dak., approving proposal to connect all State capitals by a national highway, and suggesting route to be followed from Des Moines, Iowa, to Pierre, S. Dak.; to the Committee on Roads.

8306. By Mr. GARBER: Resolution of the Chamber of Commerce of the State of Oklahoma, to increase tariff on peanuts and peanut by-products; to the Committee on Ways and Means.

8307. Also, petition of the Associated Industries of Alabama, urging favorable consideration by Congress of tariff protection for domestic cement industry sufficient to compensate for the difference in wage scale and living conditions at home and abroad; to the Committee on Ways and Means.

8308. Also, petition of the National Coal Association, urging support of item (b) under appropriations for the United States Shipping Board (Executive Office and sundry independent executive bureaus appropriation bill, H. R. 16301) providing a million and a half dollars for reconditioning or operating ships for carrying coal to foreign ports, together with any unexpended portion of last year's appropriation; to the Committee on Appropriations.

8309. By Mr. HOWARD of Oklahoma: Statement of Col. Charles B. Douglas, president Arkansas River Flood Control Association, relative to flood control and navigation on the Arkansas River made to representatives of the Chief of Engineers of the War Department, at Tulsa, Okla., January 4, 1929; to the Committee on Rivers and Harbors.

8310. By Mr. IRWIN: Petition of Mr. Stacy Neal and other citizens of Sorento, Ill., urging that the present immigration laws be strengthened; to the Committee on Immigration and Naturalization.

8311. By Mr. O'CONNELL: Petition of C. K. Eagle & Co. (Inc.), New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8312. Also, petition of the Associated Industries of Alabama, Birmingham, Ala., favoring the revision of the tariff so as to equalize the difference between production and transportation costs at home and abroad; to the Committee on Ways and Means.

8313. Also, petition of the American Shrinkers Corporation, New York City, favoring the passage of House bills 9200 and 14659 and Senate bill 1976, for additional Federal judges for New York; to the Committee on the Judiciary.

8314. By Mr. WHITTINGTON: Petition of R. F. Sledge and others, of Mississippi, asking for Government loans to drainage districts; to the Committee on Irrigation and Reclamation.

8315. By Mr. WINTER: Resolutions adopted by Wyoming State Farm Bureau, Laramie, Wyo., regarding truth in fabric law, and on subject of tariff advances on agricultural products, especially meat, hides, and sugar; to the Committee on Ways and Means.

8316. Also, resolution from Local 1681, National Association of Letter Carriers, re Senate bill 1727; to the Committee on the Civil Service.

8317. By Mr. WYANT: Petition of Chestnut Ridge Auxiliary to Chestnut Ridge Post, No. 444, Veterans of Foreign Wars, of Derry, Pa., favoring passage of House bill 9138; to the Committee on Pensions.

SENATE

SATURDAY, January 19, 1929

(Legislative day of Thursday, January 17, 1929)

The Senate reassembled in closed executive session at 12 o'clock meridian, on the expiration of the recess.

After 4 hours and 25 minutes spent in executive session, the Senate, in closed executive session (at 4 o'clock and 25 minutes p. m.), took a recess until Monday, January 21, 1929, at 12 o'clock meridian.

While the doors were closed the Senate, as in legislative session, transacted the legislative business which follows.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 12538) for the benefit of Morris Fox Cherry; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORIN, Mr. JAMES, and Mr. McSWAIN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed a bill (H. R. 16301) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1930, and for other purposes, in which it requested the concurrence of the Senate.

FINAL ASCERTAINMENT OF ELECTORS

The VICE PRESIDENT laid before the Senate communications from the Secretary of State, transmitting, pursuant to law, certified copies of the final ascertainment of electors for President and Vice President from the States of Mississippi and New Mexico at the election held November 6, 1928, which were ordered to lie on the table.